

***INSTITUTE OF CHARTERED
ACCOUNTANTS OF ONTARIO***

***REPORT ON REVIEW OF
ENTRY TO PRACTICE***

November, 2010

**INSTITUTE OF CHARTERED
ACCOUNTANTS OF ONTARIO**

**REPORT ON REVIEW OF
ENTRY TO PRACTICE**

Table of Contents

Section 1	<i>Executive Summary</i>	<i>Page 3</i>
Section 2	<i>Introduction</i>	<i>Page 5</i>
Section 3	<i>Objectives and Scope</i>	<i>Page 7</i>
Section 4	<i>Methodology</i>	<i>Page 8</i>
Section 5	<i>Context</i>	<i>Page 12</i>
Section 6	<i>Analysis and Findings</i>	<i>Page 16</i>
Section 7	<i>Suggestions for Consideration</i>	<i>Page 61</i>
Section 8	<i>Implementation</i>	<i>Page 71</i>
Appendix A	<i>Documentation Reviewed</i>	
Appendix B	<i>Consultant Background</i>	

INSTITUTE OF CHARTERED ACCOUNTANTS OF ONTARIO

REPORT ON REVIEW OF ENTRY TO PRACTICE

SECTION 1: EXECUTIVE SUMMARY

In mid-2010, the Institute of Chartered Accounts of Ontario was directed by the Office of the Fairness Commissioner to conduct a review of the organization's approaches to dealing with registration of individuals to the requirements noted in the Fair Access to Regulated Professions Act. A review plan was prepared by management. It was decided that the services of a knowledgeable consultant would be utilized to provide an independent assessment.

This document is the report to ICAO from the engagement. The following are the primary results from the review.

There are no significant difficulties regarding ICAO's policies, practices and procedures in reference to registration of CA students or membership candidates. Current policies are appropriate, documented internal practices and procedures appear to be well articulated, and informal processes supplement formal processes to contribute to sufficient efficiency in processing. Volunteer and staff perceptions and attitudes appear to be supportive in assisting applicants meet registration requirements. ICAO policies, procedures and practices appear to be sufficiently aligned with reasonable interpretations of fairness, objectivity, impartiality and transparency.

The improvement suggestions presented for Council and management consideration are of secondary and tertiary importance. None are significant. For the most part, they are merely improvements that may be undertaken over an intermediate and longer term timeframe as circumstances warrant and when, as applicable, financial resources are available.

Fees and charges are reasonable. There is no information to indicate that the basis for fees and charges are not reasonable. In some cases, fees should be instituted for internationally trained applicants where services are currently offered at no charge to prevent misuse of staff resources.

Decisions on the applications from internationally trained individuals are somewhat slowed by documentation requirements and internal practices. There is an inherent organizational and administrative tension between making fair decisions and making quick decisions. If required to make quicker decisions and without sufficient information, responsible individuals who may be forced to choose between protecting the public in denying an exemption versus granting an exemption that benefits the individual will invariably choose the former. ICAO's requirements and practices are intended to ensure that the correct decision is made. Thus, efficiency and timeliness are of secondary importance to being fair to applicants. There is some room for timing improvement in areas under ICAO's direct internal control but primary preparation requirements and the main decision processes are as efficient and timely as may be expected from a volunteer based, profession self-regulation organization charged with protecting the public.

There is no indication that practical experience requirements are not reasonable. There is common global agreement regarding the breadth and depth of experience requirements being appropriate to protect the public. There are a number of other supporting factors contributing to the observation that the practical experience requirements are relevant and necessary, including international commitments and the fact that requirements meet the standards of the Public Accountants Council of Ontario.

Current processes and requirements of CA students resident in Ontario are straight forward, logical, and relatively uncomplicated. There are more process steps and greater situational complexities for internationally trained applicants and, thus, the majority of improvement suggestions made relate to By Law 302 and By Law 402 applicants who are internationally trained.

SECTION 2: INTRODUCTION

The Institute of Chartered Accountants of Ontario (ICAO) is continuing with efforts to ensure that the organization's policies and processes related to registration are transparent, objective, impartial and fair. In compliance with, and in the spirit of, the requirements of the Fair Access to Regulated Professions Act, the organization initiated an entry to practice review.

To the above end, a project plan was prepared by management. The scope of the plan was shared with the Office of the Fairness Commissioner. It was decided that a consultant with the appropriate background and experience would assess various matters associated with the organization's approaches to registration. Within the framework of the plan, the report from the consultant was part of data collection activities. The project was not intended to be an audit of ICAO activities with due reference to compliance and related matters, but a third party assessment of various areas resulting in suggestions for improvement for consideration by Council and management. The project was conducted in the Fall of 2010. This document is the report from the consultant.

ICAO requested that the consultant conduct the engagement with due consideration to the approach suggested by the Office of the Fairness Commissioner. The broad parameters and desired goals for this type of engagement are referenced in the document identified as "Conducting Entry-to-Practice Reviews: Guide for Regulators of Ontario Professions", (Office of the Fairness Commissioner, Queen's Printer for Ontario, 2009). As titled, this document provided general guidelines and suggestions, and did not address issues in detail nor specific matters for the Chartered Accountancy profession.

ICAO noted that any and all areas were open for review, critique and assessment. The organization specifically requested matters be addressed that were associated with three specific issues mentioned by the Office of the Fairness Commission as areas of interest to them:

- the reasonableness of fees charged in relation to registrations;
- the efficiency and timeliness of decisions made with respect to the assessment process, registration and any matters involving appeals; and,
- the practical training and work experience requisite for registration.

Reflecting the above, and noting additional considerations, the review was conducted with due reference to Section 19 of the Fair Access to Regulated Professions Act, namely: registration requirements being necessary and/or relevant to practice; efficiency and timeliness in decision making; and, reasonableness of any fees charged to accept and process applications.

ICAO extended full co-operation in scheduling interviews, providing documentation, and promptly responding to questions and requests for information.

The engagement was completed in the Fall of 2010. A draft of this report was reviewed with management before finalization to ensure that the terms of reference for the project were met, that facts mentioned at various points were accurate, and that descriptions of internal procedures and practices were sufficient.

The remainder of this report references the following:

the goals of the engagement, Section Three: Objectives and Scope;

the approach taken to gather information and assess various areas of relevance, Section Four: Methodology;

a brief discussion of context matters for the accounting profession as applicable to the review, Section Five: Context;

a discussion to the level of detail appropriate regarding pertinent policies and current procedures and practices, Section Six: Analysis and Findings;

improvement suggestions made with accompanying rationale, Section Seven: Suggestions for Consideration; and,

discussion of general matters related to adopting the suggestions made, Section Eight: Implementation.

Appended to this report are: a listing of the documentation reviewed and web sites accessed to complete the engagement; and, the background of the consultant who conducted the engagement.

For purposes of this report, the term 'registration' is meant to reference the process to obtain the CA designation. The term 'registered' is generally meant to reference an individual who has obtained the CA designation. The term 'membership' is generally meant to refer to individuals who are members of ICAO, i.e., who may have the CA designation or are in process to obtain the designation.

SECTION 3: OBJECTIVES AND SCOPE

The objectives of the engagement were to assess various matters related to policy issues and internal practices with the ultimate goal of developing improvement suggestions for consideration by Council and management.

Due reference was to be made to context and pragmatic considerations. Matters were to be addressed as to their adequacy in relation to Section 19 of the Fair Access to Regulated Professions Act, namely: registration requirements being necessary and/or relevant to practice; efficiency and timeliness in decision making; and, reasonableness of any fees charged to accept and process applications.

There was no limitation placed on the scope of the review with one exception. The engagement did not require dealing with language proficiency issues. It was understood that ICAO is not involved in this area as part of minimum requirements for registration.

The outcome for the engagement was to be a stand-alone report providing observations and opinion regarding the adequacy of various policies, procedures and internal practices, as well as possible adjustments that may be implemented, to contribute to ensuring that registration matters are transparent, objective, impartial and fair. The report was to address matters such as:

- the assessment of various aspects of internal processes to ensure that registration practices can be reasonably perceived as transparent, objective, impartial and fair;

- the adequacy and logical underpinning of criteria utilized by ICAO for applicants to become registered;

- identification of adjustments to internal practices that may be considered to improve processes with due reference to pragmatic considerations;

- assessment of current policies with reference to their supporting logic, and their possible impact as potential barriers to reasonable entry to practice;

- assessment of applicant communications at various points of contact; and,

- discussion of current issues identified as possible barriers to entry and assessment of these issues in relation to reasonableness.

SECTION 4: METHODOLOGY

As stated in the terms of reference for the engagement, observations, conclusions and suggestions made for improvements were to be based on the consultant's experience, documentation from ICAO, and interview discussions. Due reference was made to the requirements mandated by the Office of the Fairness Commissioner and the Fair Access to Regulated Professions Act in conducting the engagement.

The primary tasks completed for the project included the following:

an in depth review was completed of relevant documentation that related to the registration and processing matters, and relevant web sites of stakeholder organizations were accessed to the extent appropriate for information - Appendix A provides a list of the primary sources reviewed;

an assessment was completed of operating procedures based on formal policy statements and of internal processes based on informal practices;

interviews were conducted with nine ICAO staff at various levels, including more than one discussion in some cases, and some volunteers who were members of the ICAO Applications Committee;

various standard and non-standard applicant communications were assessed and the timing of communications was also reviewed;

ten interviews were completed to understand the perspective and experience of individuals identified by ICAO as current or recent CA students or membership candidate applicants; and,

an interview guideline was prepared, and reviewed and approved by ICAO before interviews began - the interview guideline, presented below, was not intended to be a set of questions to be followed in a rigid fashion but enquiries to facilitate an exploratory conversation.

1 What is your overall opinion of the process you experienced or are experiencing to obtain the CA designation from ICAO?

2 (If not addressed through the first question, the following)
Did you understand ICAO requirements and what you were getting into before you submitted your formal application? (Follow on question based on discussion from this question: Did you read the material provided?)

3 Did you first submit a full and complete application with all required supporting documentation?

4 Do you think that the overall process was fair and reasonable in light of the competency requirements?

5 Did the process take too long in your opinion and if so what were the delays as you saw them? (Follow on question if applicable: Given the need to provide documentation / input regarding competency requirements, might this change your answer?)

6 Given the purpose of the project and the areas we discussed, do you have any suggestions for improvement?

It was helpful to utilize reference points for assessment of various elements, for example regarding *transparency* of requirements, to ensure consistent and common interpretation. It is noted that regardless of the definitions used, there will still be a degree of subjectivity in interpretation and application. The definitions described by the Office of the Fairness Commissioner in the document entitled 'Conducting Entry-to-Practice Reviews: Guide for Regulators of Ontario Professions' were determined to be as good as any that may have been used for this purpose.

As mentioned in the Conducting Entry-to-Practice Reviews document, an entry to practice review is intended to deal with issues associated with registration practices being necessary and relevant to practice. A review is intended to examine registration practices to ensure that they are transparent, objective, impartial and fair. Referencing pages 15 through 17 of that document:

Registration Practices Being Necessary To The Practice of the Profession means essential, needed or vitally important. A registration requirement is necessary when, without it, a regulatory body could not be satisfied that an applicant can practice the profession competently and safely at an entry level. Special requirements for internationally trained applicants are necessary when they are clearly justifiable.

Registration Practices Being Relevant to the Practice of the Profession means logically connected to the issue at hand. A registration requirement is relevant when it helps to make a well-founded assessment or registration decision or to verify an important fact. For example, a required qualification is relevant when there is a logical connection between the qualification and a person's competence to practice the profession at an entry level.

Transparency: Transparent registration practices include well documented policies and criteria and good communication with applicants about their application. Indicators of transparent policies and criteria: The policies and criteria are easy to find; they are described in a forthright, direct way; their meaning is readily apparent; they are well-defined and unambiguous; and nothing is hidden in unwritten policies. Indicators of transparent communication: Applicants know their applications are progressing; decisions and the reasons for them are communicated clearly; applicants can see that the stated policies have been followed in their case.

Objective: Criteria are objective when they can be measured on the basis of verifiable data without requiring a subjective assessment that applies personal views or judgments. Well-crafted marking templates or multiple-choice questions can help to

make the grading of exams a more objective exercise. A decision about whether a 'good character' requirement has been met would be highly subjective if left open-ended. It would be more objective if fully or partially measured against concrete criteria such as the lack of a criminal record or the completion of standard reference templates by practicing professionals who have supervised the applicant. Decision-makers need to be objective in the sense that they must apply clear, understandable criteria. They lose their objectivity when their personal viewpoints have too great an influence on their decisions. This is closely linked to the requirement for impartiality discussed below. Indicators of objective criteria and decision making: Determining whether the criteria have been met is straightforward; decision-makers reach consistent decisions.

Impartial: Impartiality is tied to objectivity in that it requires making decisions about individual applicants based on objective criteria without bias, prejudice or favouritism. Impartial assessments are made free from preconceived notions about any party or class of parties. To be impartial, decision makers must have no vested interest in the outcome and must come to each case without a preconceived view about the merits of the application. They must maintain an open mind as they review the evidence to determine the applicant meets the criteria. Indicators of impartiality: Decision-makers are well trained in applying criteria; they do not give undue preference to applicants from certain jurisdictions or undervalue those from others.

Fair: Fairness is broad and difficult to define. It includes the concepts of transparency, objectivity, and impartiality. Procedural fairness is an important consideration in analyzing registration practices. The main question of procedural fairness is: "How fair is the process by which qualifications are assessed and registration decisions made?" Indicators of procedural fairness: Decisions adhere to published criteria, standards and policies. Applicants receive due process in relation to their application. A variety of interested parties have confidence in the criteria, process and results. Substantive fairness is an important consideration in analyzing registration requirements. It is closely tied to "necessary and relevant" (discussed above) in the sense that the requirements must be clearly justified and logically connected to the matter at hand. One indicator of substantive fairness would be that special requirements for internationally trained applicants are clearly justified. For example, it may be unfair to require all internationally trained applicants to complete a lengthy program before taking a registration exam. In some cases, fairness means treating everyone the same. In other cases, it means treating people differently based on their circumstances (reasonable accommodation) to achieve an equal result. For example, insisting that all applicants provide original documents treats everyone the same but may not be fair where records are not obtainable, and alternative methods exist to prove the credential or competency.

The above was applied to the extent appropriate in assessing various areas for the review.

Review and analysis efforts were conducted in various areas to the depth required to come to sufficient conclusions regarding matters at hand and to assess the viability

of suggestions made for improvements. For example, there was an extensive review of decision making processes given the different alternate paths to registration and the complexities involved. Assessing the reasonableness of fees and charges did not require detailed enquiry, noting the low level of fees in some areas and the fact that some application processes are completed at no charge.

SECTION 5: CONTEXT

It is necessary to appreciate context in considering issues and improvement suggestions, including:

self-regulation;

globalization;

the regulatory environment for organized accounting in Ontario; and,

general differences among professions and specific factors associated with Chartered Accountancy.

Self-Regulation:

It is current government policy that regulation of a profession in Ontario is accomplished through self-governance, typically referred to as self-regulation, distinct from other similar approaches such as delegated administrative authorities, direct government regulation, co-operative regulation, etc.. As such, a profession determines what is necessary to protect the health, safety and welfare of the public within the applicable government legislation, with due reference to government policy in other areas. This includes setting minimum entry requirements, on-going competency to practice requirements, professional conduct rules, and disciplinary mechanisms. Self-regulation success is premised on the foundation that all practitioners recognize, accept and, most importantly, internalize the requirements involved as relevant and necessary because it is the profession's own determination. This is fundamental and inherent in the principles of the profession self-regulation model.

For this review, the above implied that the primary focus needed to be on whether the profession through ICAO recognizes and addresses pragmatic approaches and processes to deal with the achievements and experience of applicants for registration, and whether individuals trained in other provinces and other jurisdictions are treated in the same manner as residents of Ontario, all things being equal. This does not mean that the basis of minimum academic qualifications, examination, or experience requirements is not important. This merely implies that, for an entry to practice review, it is not particularly useful to delve into, for example, the basics of the profession's technical and applied knowledge. Professions evolve, standards evolve, and minimum requirements evolve over an extended time frame. A point-in-time analysis should recognize that changes in profession standards, and thus changes in regulation, are not undertaken expeditiously and are generally the result of extensive consultation and deliberation through a number of venues.

Furthermore, in some areas there may be no definitive answer regarding absolute minimum qualifications since there may be something of a grey area in determining how much of a requirement is necessary to ensure high quality professional competency (much less practitioner proficiency) to protect the public. It is not useful for lay people to debate how much is required. A self-regulated profession is in the best position to determine the risk to the public of a lessened standard or a standard that is not raised due to changing circumstances.

Globalization and ICAO's Explicit and Implicit Commitments:

It is evident that international developments affect ICAO policies and internal practices. Current trends in the globalization of assurance and accounting practice and the increasing presence of large corporate clients, globalization of accounting designations, international trade agreements, inter-provincial trades and service agreements, etc., affect and influence ICAO direction and policy decisions.

Any recommendations made with respect to improving access to registration need to consider that the profession has explicit and implicit commitments that may affect that which can be implemented, such as that required of a member of the International Federation of Accountants. (IFAC has 164 members and associates, from 125 countries and jurisdictions, covering approximately 2.5 million accountants.) There is significant commitment to the global community. This may include reference to commitments made in agreements with other countries and in relation to such understandings as the International Education Standards for Audit Professionals, International Standards on Auditing, International Financial Reporting Standards, International Standards on Quality Control, etc..

The Regulatory Environment for Organized Accounting in Ontario:

There are three main groups of accounting professionals in Canada and Ontario: Chartered Accountants, Certified Management Accountants, and Certified General Accountants. Until relatively recently, each has had its own independent history, academic qualifications, work experience backgrounds, determined scope of practice, and claimed market presence. Developments over the last decade or two have lead to fewer perceived differences between the three groups in some areas.

There are six different groups primarily involved with the regulatory environment for accounting and assurance professionals in Ontario: ICAO, the Public Accountants Council of Ontario (PAC), the Society of Management Accountants of Ontario, the Certified General Accountants of Ontario, the Office of the Fairness Commissioner (OFC), and the Ministry of the Attorney General where government responsibility for the Chartered Accountants Act resides. There are other groups involved with regulatory matters as well, such as the Canadian Public Accountability Board and securities exchange regulators, but they are not particularly relevant to this

engagement. The Canadian Institute of Chartered Accountants and other provincial regulatory institutes may be added to the above list as influencers and stakeholders.

Specific to matters related to registration, it is noteworthy that ICAO is subject to the directions and dictations of both the OFC and the PAC. The PAC is directly concerned with licensing public accountants. The organization also has input and approval regarding significant matters associated with registration of individuals as Chartered Accountants, given the requisite qualification as a Chartered Accountant to become licensed as a public accountant.

These two oversight bodies may have competing perspectives and motivations regarding access to registration. That which the OFC believes will make access to registration fairer and quicker can be perceived by the PAC as a weakening of professional standards protecting the public. It is recognized that ICAO can not undertake changes of substance to the policies and procedures for registration that the OFC may wish to have implemented without the explicit or de facto approval of the PAC.

General Differences Among Professions and Specifics Related to Chartered Accountancy:

All professions are not at the same stage of development. Different professions have different cultures. Professions evolve at different paces. Thus, comparison to the approaches and practices of other professions is somewhat limited. That which applies to, and may work well for, one profession may not apply to another.

There are three primary types of professions: those based on science; those based on faith; and, those based on culture. The third type consists of four general sub-categories including a group classified as corporate based professions. The accounting profession is within this group. These are professions that gained stature and acceptance during the rise of organizational bureaucracies and the development of efficient capital markets. Corporate based professions generally are bound by political jurisdictions that create differences in professional practice between countries.

Accounting technical knowledge has a more global basis to common recognition and understanding that is not as subject to differences based on geographic jurisdiction or culture, such as with the legal profession. Illustrations include generally accepted accounting principles and generally accepted assurance standards. The profession continues to deal with, and move forward in, standardization and commonality, as evidenced by the wide spread adoption of international financial reporting standards. In the Canadian case, increasing global commonality has contributed to a greater impetus for provinces to adopt common qualification standards as well.

Parallel to and integrated with the above, the globalization of large corporate business users of the profession's services and the presence of multi-national public auditing and assurance firms facilitates work experience commonality. Thus, there is a tendency to greater similarity in the approaches and processes utilized in the application of technical knowledge, but there are still differences due to jurisdiction and cultural factors.

The above contributes to greater objectivity and transparency in assessing qualifications requirements for registration, demonstrated in the ability to develop and set in place reciprocity agreements with the accounting bodies of other provinces and other countries. However, there are complications that may offset the positive impact for internationally trained individuals. Professions evolve at different rates in different jurisdictions. All things being equal, it is more difficult to assess applications from internationally trained individuals who have not been exposed to the competency based qualifications processes adopted by the Chartered Accountancy profession in Canada.

Other noteworthy factors for Chartered Accountancy in reference to this review include the following.

Chartered Accountancy profession culture actively supports access to registration through such areas as offering employment to those seeking registration. This type of entry to practice review is focused on a profession's regulatory body. However, regulation is only one element, albeit the most important, in assessing a profession's collective commitment to access.

Employment positions and related workloads are generally integrated with learning opportunities, oriented to the profession's Competency Map.

Employment opportunities are not merely the use of inexpensive labour but active on-the-job learning situations. Otherwise, professional service firms would use accounting technicians in significant numbers.

Individuals seeking access to registration may be gainfully employed in accounting positions and with assurance firms without having the CA designation. In addition, the majority of Chartered Accountancy practitioners are employed and not self-employed. Timelines for access to registration do not prevent gainful employment for those actively seeking registration.

There is a substantial minority of practitioners who are in public practice (both in employed and self-employed capacities). These individuals are a prime source of ICAO volunteers.

Employers generally reimburse the expenses incurred by those seeking access to registration to some level. It is understood that firms of some size generally cover most if not all direct and some indirect expenses. This and

other support extends beyond that which may be interpreted as standard employee benefits. This is part of CA profession culture in supporting access.

SECTION 6: ANALYSIS AND FINDINGS

This section describes and assesses key matters associated with registration requirements and the relevant policies, procedures and practices. The following discusses, in no implied order of importance:

- the primary ICAO formal policies regarding CA students and membership candidates seeking registration in the Province of Ontario and the formal and informal guiding principles affecting access to registration;
- current statistics regarding registration applications;
- registration requirements;
- documentation required of CA students and those applying from other jurisdictions;
- efficiency and timeliness in decision making including an overview of the processes utilized;
- matters related to the ICAO Applications Committee;
- fees and charges for those seeking registration;
- academic requirements for registration;
- practical experience requirements for registration;
- examinations;
- communications;
- the results of interviews conducted; and,
- use of the 'CA' designation.

Each of the above is discussed in reference to the basic facts and/or procedural elements and findings associated with the assessment involved, with due consideration to the relevant aspects of transparency, objectivity, impartiality and fairness as appropriate.

ICAO Policies and Guiding Principles:

The ICAO policies regarding registration are referenced in the organization's formal documentation.

The Chartered Accountants Act 2010 references membership elements and the authorities granted to the Institute.

ICAO's 300 series By Laws address membership related matters. This includes specific reference to recognition of accounting bodies outside Canada in By Law 302 and admission of individuals classified as students, members of other provincial institutes, and individuals who are members of, or may have qualified for membership in, accounting bodies outside Canada recognized by ICAO.

The 400 series of By Laws address student admission. This includes specific reference to individuals who may become applicants as students seeking exemption for courses completed and/or examinations passed in By Law 402 and the general conditions for consideration of exemptions. By Law 403 addresses the movement of students from one province to another and general considerations involved with ICAO registration. By Law 404 references practical experience requirements for students.

The 900 series of By Laws address various matters associated with public accounting licensing.

Regulation I - A Regulation In Respect of Students, contains definitions and specific reference to matters relating to student qualification for membership and registration including credit hour requirements, degree-credit courses, the professional program, UFE eligibility requirements, prescribed practical experience, etc..

Regulation II - A Regulation In Respect of Certified Public Accountants from the United States of America and Members of Recognized Accounting Bodies Outside Canada With Which the Institute Has Reciprocal Recognition, contains definitions and specific reference to matters relating to those applying as membership candidates in these categories, including residency requirements, the application of substantial equivalency regarding practical experience requirements for registration, etc..

The guiding principles for registration include the following. These underpinnings to registration access are reflected in various documents and were referenced in interview discussions with ICAO staff.

Support for Success - is an informal policy reflected in ICAO's approaches to assisting students in meeting registration requirements and is part of CA profession culture support for access. In illustration, the annual Core-Knowledge Examination, the School of Accountancy and the Uniform Evaluation examination are the core components of the Professional Program. The three are integrated in teaching the profession's competencies. The first two also assist CA students in successful completion of the annual Uniform Evaluation examination.

Bridging - is the policy and general strategic direction to provide the means for access to registration by internationally trained individuals. This was addressed in the document titled 'Pathways to Membership', a 2007 report from a Task Force of provincial bodies and stakeholders. The matters discussed included introducing a "more robust approach to recognition and bridging" (page 4). It is understood that the Task Force report was adopted by ICAO Council in meeting minutes. It is understood that ICAO had in place, or was substantially moving to implement, much of that referenced in this Task Force report. Regardless of timing, the pragmatic application of the recommendations in the Task Force report can be seen in current practices and processes, such as in introduction and broader adoption of 'substantial equivalency'.

Substantial Equivalency - is the guideline generally applied in consideration of that which may not be exact to documented ICAO registration requirements. This creates a more beneficial assessment framework for applicants in that it moves decision maker thinking away from a too rigid interpretation of an applicant's background in comparison to stated registration requirements.

Acceptable Alternative - allows for flexibility applied in situations when, for example, documentation required by ICAO for acceptance of an application and to process a request for exemptions is not available and /or would create undue hardship for applicants to obtain. In illustration, in place of the requirement of original documents, a copy may be supplied if accompanied by a sworn affidavit before a commissioner of oaths or equivalent official.

Equal or Parallel Qualifications - is applied to internal practices in dealing with student applications, i.e., an internationally trained student applicant will not be required to do more than an Ontario resident student applicant.

Benefit of Doubt:- is an informal practice applied when sufficient information made available allows the Registrar or the Applications Committee greater flexibility in making decisions regarding applicant qualifications and an individual's exemptions request. The practice contributes to moving decision maker thinking away from a too rigid interpretation of an applicant's background in comparison to stated registration requirements.

Findings:

Documentation references policy and procedural direction in a more than sufficient fashion to enable administrative staff and volunteer members on the Applications Committee to apply the policy decisions of Council. Policy and procedural direction statements are as transparent and objective as needed for application by staff and volunteers. The documentation is clear for applicants to understand the basics involved with registration requirements. The guiding principles appear to have been applied in a pragmatic approach.

Current Statistics Regarding Application Processing:

At the time this review was undertaken, ICAO records indicated that:

there were 34,457 Chartered Accountants in the ICAO register as at September 30, 2010;

included in that group were 5,131 licensed public accountants as at September 30, 2010;

under By Law 302 supported by Regulation II, internationally trained individuals from jurisdictions where a Mutual Recognition Agreement (MRA) with ICAO exists, as at September 30, 2010, there were 175 membership candidates, defined as individuals applying for registration (there were 153 as at November 17, 2010);

under Regulation I there were 4,815 individuals listed as CA students as at September 30, 2010;

under By Law 402, supported by Regulation I, referencing internationally trained individuals from jurisdictions where there is no MRA, there were 80 individuals applying for CA student membership status as at September 30, 2010; and,

referencing individuals who have qualified in other provinces, fiscal year-to-date, there were 48 who had transferred to Ontario (there were 75 individuals registered in Ontario as transfers for 2009-2010).

CA Students, Ontario Residents:

There were 1,111 Ontario resident CA students who became registered to practice in 2009-2010. As when this review was completed, the process for 2010-2011 was not yet completed, noting the Fall timing of the annual qualification examination. It is expected the total for 2010-2011 will be in the 2009-2010 range.

For the ten month period from January 2010 to October of 2010, 104 students petitioned the Registrar. Of the 104 petitions, 12 requested that the decision in question be sent to the Applications Committee for review of the Registrar's decision. Of that group, eleven decisions were upheld with one situation resulting in a different solution to the issue of concern. Referencing prior year, statistics were kept only for the last four months of 2009-2010. In that period, 46 students petitioned the Registrar. Five requested a review of the decision by the Applications Committee and in all five cases, the Registrar decision was upheld.

Internationally Trained Applicants for CA Student Status:

Of the above referenced 80 files in process: 45 were those where only an enquiry had been received for exemptions but no documentation had been supplied; and, 35 were situations where only partial documentation had been submitted and thus the application could not yet be forwarded for Applications Committee attention. Of the latter group, nine began the process in 2010 but had not submitted any documentation after the initial request for additional exemptions. Sixteen began the process in 2010 and had started to submit documentation. Five began in 2009 but had not submitted any documentation after the initial request for exemptions. Four began the process in 2009 and had started to submit documentation. One started the process in 2008 but had not submitted any documentation subsequent to the initial request. This file was scheduled for closing.

Internationally Trained Applicants for Membership Candidate Status:

In reference to By Law 302 applications regarding internationally trained individuals, ICAO records as at September 30, 2010 indicated 75 applications had been initiated, fiscal year-to-date. (There were 72 applications initiated in all of 2009-2010.) The following provides a breakdown of the 175 applications:

<i>Year of Application Aging of Application</i>	<i>In Process *</i>	<i>Decision Made By Committee</i>	<i>Total</i>
< 1 Year	56	14	70
1-2 Years	23	17	40
2-3 Years	2	13	15
3-4 Years	5	7	12
4-5 Years	5	6	11
> 5 Years	<u>4</u>	<u>23</u>	<u>27</u>
	95	80	175

* Defined as required documentation still being supplied before file can be forwarded to Applications Committee.

Referencing the Decisions Made column, 73 of the 80 files had been reviewed by the Applications Committee, a decision had been made, and the individual was progressing to registration. The remaining seven had met requirements and were to be registered once the appropriate form was filed and payment made.

Referencing the In Process column, 13 of the 95 files were being reviewed by the Registrar's Office as to whether they were sufficient to put forward for Applications Committee consideration, and four were waiting for a hearing to be scheduled. It is understood that under a recent change in Regulations, By Law 302 applicants have twelve months to submit all required documentation. As part of transition arrangements, extensions were provided to in process applications. Of that group, there were 39 files remaining where extensions were given to supply documentation outstanding. This group also included files where the individual must successfully complete the CARE by December 31, 2010. Of the 39 files, nine were in the three to four years category, eight were in the four to five years category and 22 were in the greater than five year category. ICAO indicated that, invariably, the longer timeline was the result of applicants not providing documents in a timely fashion.

International Trained Individuals and Hearings:

To September, 2010, 36 hearings had been held by the Applications Committee: 15 in relation to By Law 302 applicants; 18 regarding By Law 402 applicants; and, three other hearings on different matters. Comparable figures for all of 2009-2010 were: 13 By Law 302 hearings; 14 By Law 402 hearings; and, one other.

There were 18 individuals awaiting a hearing as at September 30, 2010, seven By Law 302 applicants and 11 By Law 402 applicants. There were an additional three who were resident outside Canada and, assuming they remain interested, may have a hearing scheduled if and when they become residents in Canada and contact ICAO. They may or may not be required to submit more current information and updated documentation depending on when they contact ICAO.

Of the 18 on the hearing wait list: in one situation the hearing was scheduled for September, 2009 but the person requested the hearing be held in early 2011; one person who was notified in March 2010 that a hearing was required requested that the hearing be held in late 2010; and, one situation required documentation clarification before a hearing could be held, notification in March of 2010. An aging of hearing files for the remaining 15 follows, time classification defined as the date the individual was sent correspondence that a hearing was required.

<i>Awaiting Hearing</i>	<i>As of Month</i>
Four	July, 2010
Five	August, 2010
Two	September, 2010
Four	October, 2010

Referencing appeals of Applications Committee decisions, there had been only one request for appeal to date in 2010-2011. The request was dismissed since the individual did not supply a hearing transcript as required by ICAO to have an appeal hearing held. There were three requested appeals in 2009-2010. One request was dismissed because the individual did not supply a hearing transcript.

Two appeal hearings were held and the decision of the Applications Committee in both cases was upheld.

Findings:

There were 1,111 Ontario trained individuals admitted to registration in 2009-2010. It is expected that there will be a similar number for 2010-2011. In comparison, there have been relatively few transfers from other provinces and few registration applications and open application files for registration from internationally trained individuals. Given the relatively low volumes, improvement suggestions reviewed have considered cost/benefit factors as applicable.

There is much more of a systemic approach to processing registration from Ontario trained individuals and, as such, ICAO's processes can adequately handle the current volumes. Processing the transfers from other provinces is very straightforward, requiring no or very minor professional judgment. Low volumes of internationally trained applicants notwithstanding, it is noted that the underlying work required by staff per application can vary significantly from one file to the next, more so the case for those from jurisdictions where there is no MRA, and more so the case again for situations requiring an Applications Committee panel hearing. At this time, there is a relatively high level of required and optional personal attention by staff to individual applications, covering both clerical overview and professional judgment attention. It is noteworthy that application processing is largely a manual process.

It is reasonable to assume that as volumes of internationally trained applications rise, the potential for more complicated assessments will increase as well. Current processes may need to be adjusted to handle higher volumes. More formalized management information reporting will be required to ensure ICAO is in control of processing, meeting its commitments, and to ensure resources allocated to this area are sufficient. In addition, ICAO will need better definitions to determine when a By Law 402 application from an internationally trained individual is officially received and when a file is to be closed due to applicant inactivity.

Registration Requirements:

Requirements for registration are consistent for all concerned. Applications are considered under either:

the 400 By Law series as a CA student resident and/or trained in the Province of Ontario;

By Law 402 for individuals applying for CA student status from a jurisdiction where there is no MRA, where there is a non-assessed accounting body, a non-recognized accounting body or, technically, where there is no accounting body;

By Law 302, for individuals applying for membership candidate status from a jurisdiction with which ICAO has a MRA; or,

By Law 302, for individuals who have qualified in other provinces.

Depending on the jurisdiction from which the individual applies, automatic exemptions are granted and additional exemptions may be granted on a case-by-case basis.

It is noted that MRA's are circumstances where the International Qualifications Appraisal Board (IQAB) has determined that the jurisdiction's accounting body, standards and processes are substantially equivalent to ICAO in all relevant aspects. Non-recognized accounting bodies have been assessed by IQAB but have been determined to not be substantially equivalent. Non-assessed accounting bodies are as described - there has yet to be a sufficient volume of applicants to all Canadian provinces from the jurisdiction warranting an IQAB assessment.

CA Students, Ontario Resident:

The requirements for the CA student path to registration are briefly summarized as:

successful completion of a four year, 120 credit hour program, university degree with 51 credit hours for specific courses, achieving a minimum grade average of B-;

three years practical experience in an approved Chartered Accountancy Training Office (CATO) with due exposure to, and working experience in, the profession's competency areas, with primary emphasis on one of two major groupings of the six competency areas, and secondary emphasis to at least half the prescribed level of proficiency for two of the remaining five areas (it is noted that changes are being reviewed but this requirement as stated remains in effect for the time being);

participation in, and successful completion of, the ICAO Professional Program consisting of the Core-Knowledge Examination, the School of Accountancy and the Uniform Evaluation examination;

participation in the five day staff training program;

submission of all required documentation and remittances related to application and requested exemptions; and,

being of good moral character.

CA Students, Internationally Trained:

For internationally trained individuals applying from a jurisdiction where IQAB has assessed the accounting body but found it to not to be substantially equivalent, exemptions from the above are automatically granted generally leaving:

membership in good standing of the accounting body for the jurisdiction;

successful completion of a Canadian business law course;

successful completion of the Core-Knowledge Examination, School of Accountancy and the Uniform Evaluation examination;

meeting practical experience requirements;

proof of residency for the time taken to qualify for registration in the jurisdiction from which the individual is applying;

submission of all required documentation and expected remittances; and,

being of good moral character.

Exemptions from the some of above requirements may be granted on a case-by-case basis. No exemption is allowed for the UFE.

For internationally trained individuals applying from a jurisdiction where there is no accounting body or the accounting body has not been assessed by IQAB, the requirements include:

the academic and practical experience qualifications listed at the beginning of this sub-section;

successful completion of the Core-Knowledge Examination, School of Accountancy and the Uniform Evaluation examination;

completing the five day staff training program;

submitting all required documentation and expected remittances; and,

being of good moral character.

Exemptions from the some of above requirements may be granted on a case-by-case basis. No exemption is allowed for the UFE.

Membership Candidates:

For internationally trained individuals applying as a membership candidate from a jurisdiction with which ICAO has a MRA, exemptions from requirements are automatically granted leaving only the following:

membership in good standing of the accounting body for the jurisdiction;

successful completion of the Chartered Accountancy Reciprocity Examination;

meeting experience requirements;

proof of residency for the time taken to qualify for registration in the jurisdiction from which the individual is applying;

submission of all required documentation and expected remittances; and,

being of good moral character.

For individuals who have not yet qualified in that jurisdiction, exemptions from the requirements listed at the beginning of this sub-section may be granted on a case-by-case basis. An exemption may also be requested for experience requirements.

Inter-Provincial Transfers:

For individuals transferring from another province or territory who have qualified in that jurisdiction, the requirements for registration include:

being a member in good standing of the provincial or territorial institute from which the individual is transferring; and,

submission of all required documentation including two references.

Findings:

The requirements for registration are well stated, referenced in policy and procedural documentation, and clearly defined. They are transparent and appear to be impartial. They are fair in that the requirements are applied to all concerned. The requirements are consistent with those of other provinces and international jurisdictions where applicable and in relation to commitments made by all members of IFAC and in compliance with international commitments such as the International Education Standards. Objectivity is also reflected in pragmatic matters related to residency requirements to ensure there is no abuse of reciprocity approaches. Good moral character is assessed in relation to disclosure regarding a very basic definition, prior criminal convictions or admission of guilt in criminal proceedings.

The only area which does not appear to be particularly relevant is the five day staff training program for CA students. It is understood that this is a participation program, it does not involve an examination, and that larger firms and organizations may conduct this training in-house on an ICAO approved basis. It is

understood that the program teaches the basics of how an audit should be done and provides familiarity with aspects of public accounting. As such, it would seem that this is more of a program service for the benefit of smaller firms than a requirement to achieve a registration learning outcome. It would seem that this is more of an internal training matter for auditing/assurance firms related to their employees and not a responsibility of the profession in protecting the public. It would seem the program is less applicable or not applicable for individuals who are not focusing on assurance competencies training, for those working in business or government organizations who do not plan to have a career in public accounting.

Documentation Required:

Individuals applying for registration as a CA student who are resident in Ontario, as a CA student from another province, or as a CA student from a jurisdiction where no MRA exists, and who subsequently apply for registration as a general member, are required to submit documentation including:

the ICAO application form including proof of employment in a CATO;

proof of legal name, which may be provided through a copy of birth certificate, passport, etc.;

an original transcript (or transcripts if the individual attended more than one post-secondary education institution) sent from the institution direct to ICAO or a certified copy - this is not required for individuals from a jurisdiction assessed by IQAB but determined to be non-equivalent;

course credit application form;

a resume (for individuals applying as a mature student or from a jurisdiction where ICAO has no MRA);

a request for exemption from employment in proceeding to the ICAO Professional Program, applicable during economic downturns where students generally may experience difficulty in obtaining employment positions;

upon completion of practical experience requirements, certification documentation that the required practical experience related to competencies has been obtained in an approved training office - CA students may file practical experience reports at different times during the qualification period under various circumstances; and,

upon completion of CA student academic, examination and practical experience requirements, a completed application form for general membership including the individual's signed declaration and, as applicable, employer signature(s).

The documentation required of an individual transferring from another province who has qualified in that province is proof of membership in good standing with that province's institute and two references from registered CA's in Canada who are unrelated to the applicant and who have known the individual for at least one year.

The documentation required of membership candidate applicants include the following: proof of legal name; proof of residency; documentation from the accounting body in the jurisdiction in which the individual qualified, submitted direct to ICAO, substantiating certification and/or membership in good standing; and, experience certification documentation forms completed by the applicant, verified by the appropriate individual for previous employers, addressing the practical experience achieved by the applicant.

In certain circumstances, individuals may submit documents that are not originals and not sourced direct from the issuing organization. Copies may be submitted with accompanying declarations as to their representation, sworn in the presence of a recognized public or similar official or under personal oath by the individual.

Findings:

The documentation required, including original documentation, appears reasonable, necessary and relevant in protecting the public in processing applications for registrations as a CA student and as a membership candidate, as well as to deal with requests for exemptions. The required documentation follows from ICAO policies and internal procedures. Allowing acceptable alternatives to original documentation is a reasonable practice.

The automatic exemptions granted under MRA's and granted for individuals applying from non-recognized accounting bodies provides significant evidence of applied objectivity, transparency and impartiality.

ICAO has stated that the breadth and depth of documentation required to meet registration requirements also contributes to ensuring that an individual's qualifications are fairly assessed in various areas, such as the requirement to have employer verification of all past employment situations. As has happened with some previous applications, ICAO reasons that individuals may inadvertently ignore relevant experience and some experience may be unclear for different reasons. Assessment of practical experience can be a difficult task. It is believed that a broader picture assists the Applications Committee in coming to correct decisions regarding exemptions requested, providing Committee members with more facts to allow for benefit of doubt in decision making.

An argument can be made that applicants should be given the option to provide minimum documentation, such as only supplying prior employment experience with employer verification for financial or assurance positions that meet competency achievement information requirements. All prior employment may not apply to the

individual's minimum practical experience requirement. It is logical that a single employment experience could meet requirements. Under this approach, it is surmised that any other prior employment experience not verified by a previous employer would be ignored in assessing an application.

The above may contribute to a quicker process to complete a file and less effort by applicants, but not necessarily lead to quicker registration nor a fair and objective decision on requested exemptions. The question becomes whether applicants will be able to adequately determine the minimum documentation required to prove competency experience. This centres on whether the average applicant, or all applicants, can become sufficiently or reasonably informed regarding how best to determine whether specific employment experience meets competency requirements.

Allowing CA students and membership candidates the choice to submit that documentation they determine to be relevant is logical in possibly achieving a more timely process. This assumes that the applicant is able to provide relevant information for the assessment. It is envisioned that once all concerned are more experienced and comfortable with practical experience assessment, ICAO will change policy in this direction. However, at this time, eliminating the need to provide employer verification of all prior experience related to accounting experience will not be a positive change for the following reasons. The shift to a competency focus is relatively recent and as such, there is a continuing learning curve for ICAO regarding how best to achieve this in a systemic manner. Matching practical experience to competency requirements is not necessarily a simple task. All internationally trained applicants have not experienced competency based education and may be unfamiliar with the implications regarding practical experience matching. It is surmised that there is a relatively significant level of misinformation and misaligned expectations among applicants.

If the change were initiated, it can be surmised that applicants will naturally submit the minimum documentation required. It can be envisioned that this would create a new set of difficulties in appeals and multiple rounds of documentation requests from Applications Committee volunteers and administrative staff.

Flowing from the above, it can be envisioned that Application Committee volunteers will take a more formal and exacting approach in denying exemption requests. It is both unrealistic and unfair to expect individuals to accept the risk in granting an exemption without them having sufficient information to make an informed and defensible decision. It is logical that decision makers with minimal information at hand, given the choice between protecting the public as a whole through denying exemption versus allowing an individual quicker registration through granting an exemption, will favour the former. The by-product will include exemption denials and delays in registration of those more qualified and applicants 'feeling' that they were mistreated given that the 'obvious' fact that their experience qualifications were ignored.

Thus, for two options that may be considered, improved communications explaining the requirement rationale and/or allowing individuals the choice of submitting only applicable employer verified experience as they identify, the former makes sense and is easily implemented. It is surmised that changing policy to affect the latter will result in more complications than benefits at this time, and may lead to unintended consequences. When all concerned are more comfortable with, and better practiced at, prior experience matching to competency requirements, this may become more feasible. Continuing to deal with exemption requests on a case-by-case basis makes sense.

Efficiency and Timeliness in Decision Making:

A review of decision making in this vein first requires description of the general processes involved with accepting and processing applications and the current timelines for processing. Processes somewhat vary and are more straight forward for CA students resident in Ontario.

Application Processes:

CA Students, Ontario Resident:

For Ontario resident CA students, the process is straight forward and simple.

An application file is opened when the individual submits the appropriate application form and required fee. An original academic transcript(s) is to be sent from the post-secondary education institution(s) involved direct to ICAO.

The application and supporting documentation is received by the Records Department. Receipt is acknowledged in written communication from ICAO, noting follow up documentation required, not yet received. Form letters following internal templates are utilized for applicant communications.

Applicants select the category under which they wish to be classified, e.g., university graduate, mature student, Certified Management Accountant, etc..

The individual's academic transcript is evaluated in comparison to ICAO academic qualifications requirements. Timing to complete varies depending on individual circumstances.

The application file is reviewed and the applicant notified of any deficiencies with respect to education requirements. Practitioner involvement, such as through the Applications Committee, is not required.

In reference to appeals, CA students may petition the Registrar for a variety of reasons related to their status and requirements for registration, such as deadline extensions, consideration of special circumstances, etc.. If the

request for a decision change is denied, the student has the right to request a review of the decision within thirty days. These are automatically sent to the Applications Committee for review.

Once academic requirements have been met, and the individual confirms their employment with a CATO, the individual is notified of membership acceptance as a CA student.

Once the CA student has participated in the five day staff training program, has successfully completed the ICAO Professional Program, and provides documentation through ICAO forms as to having met practical experience requirements, the individual is informed of acceptance premised on filing the final application for general membership form and remitting the one time application fee.

Membership Candidates, Internationally Trained, From MRA Jurisdictions:

For individuals applying from a jurisdiction where there is a MRA, the process is logically straight forward but it is longer and process steps are more involved given the potential for complications and the higher level of professional judgment involved.

An application file is officially opened when the required form and fee is received by the Records Department. Staff review documentation received to ensure it is as required by internal procedures. Form letters are mailed at various intervals stating progress and remaining requirements.

Records Department staff utilize a form titled 'By Law 302 Application for Registrar Triage', to notify the Registrar's Office when a problem is identified requiring professional judgment to be applied, done at any stage before and up to when the full file is officially transferred to the Registrar's Office. It is understood that this happens in approximately 30% of the applications received, and is identified at different stages during the process.

Staff may formally contact the applicant to: ask questions for clarification; to request additional information; to point out that documentation may be incomplete; note elements that appear to be missing, referencing stated By Law and Regulations requirements; and, to identify areas to the applicant where the Applications Committee may have concern.

Registrar's Office staff assess the adequacy of required documentation submitted according to stated policy. Staff do not assess the relevance and applicability of prior practical experience in meeting requirements for registration other than in the broadest or most obvious terms. Staff review is generally limited to whether the required documentation is included in the application file. Staff may assist applicants through providing personal contact to answer specific questions and assist them in the process.

Formal communication letters which generally follow a template format are sent as applicable to the individual's application including communications on process steps, status, information requested, etc.. Written communication is always noted as being the official documentation from ICAO on any matters related to registration.

The application generally falls into one of two categories: a data sheet or a hearing file. Staff do not make any decisions regarding applications, noting that this is the sole authority of the Applications Committee. All data sheets and hearing files are submitted to the Applications Committee for decision.

A data sheet application invariably is a straight forward situation where the individual's application contains comment from the Registrar's Office for acceptance per ICAO policy, generally noting that the individual needs to successfully complete the CARE as the only requirement for registration.

A hearing file relates to a situation where practitioner judgment is required to fairly assess an application. This generally includes situations where there may be some concern regarding residency requirements or stated practical experience qualifications, and any doubt by staff on something that may need to be reviewed. Information provided to Application Committee members includes summary notations and all related documentation for the application.

Applications Committee panel meetings are organized by, and have the full support of, administrative staff. Copies of data sheet information and full hearing files for decision are distributed to panel members at least a week before the scheduled meeting. (A copy of the hearing file is also provided to the applicant.) Applications Committee members may flag areas of concern and request additional information from applicants. It is understood that on the rare occasion, a hearing may be postponed to accommodate the request for additional information. The Committee will not usually attempt to deal with more than three hearings in one day as this has been determined to be the pragmatic maximum for a fair and considered process.

Applicants are invited to review a precedent binder before their hearing and consider how best to present their situation and requests for exemption. Applicants are informed that they may have an advisor or legal counsel attend with them. It is noted in formal correspondence that they may submit additional documentation they believe is relevant before or during the hearing, may make a presentation addressing matters and identified concerns, call witnesses in support of their application, etc.. Applicants are informed that they may bring an interpreter with them to the meeting.

All hearings are open forums and may be accessed by the public.

Administrative staff may provide advice and assistance to applicants to the extent desired to ensure that applicants are as comfortable as possible with the situation and the process.

A presentation may be made, questions are posed, discussion is held on various issues, deliberation occurs and the applicant is informed of the Committee's decision at the hearing. The decision of the Committee is documented and sent to the applicant within one to two weeks with a follow up written communication for the reasons for the decision.

Upon receipt of the written reasons for decision made by the Applications Committee, the applicant has 30 days from the date of receipt to request an appeal. The request must be in writing, state the reason(s) for the appeal and either confirm that a copy of the hearing transcript has been ordered and will be available to the Committee or include a request that the appeal be heard without a need for the hearing transcript. If the latter, legal counsel provides input regarding whether a transcript is required related to the matter identified. The Appeal Committee Chair determines whether the transcript is required for the hearing or not. All appeal requests are heard before the Appeal Committee provided that the individual complies with the stated requirements: supplying a copy of the Applications Committee transcript if required and, agreeing on a hearing date. If the transcript is not supplied, the appeal request is dismissed. The applicant may decide to withdraw their request at anytime.

The Appeal Committee is separate and distinct from the Applications Committee and has no cross-over membership. A matter will be scheduled with the Appeal Committee at earliest possible date. It is understood that an appeal hearing usually takes place within three months from the timing of submission and development of all relevant materials, dependent on the availability of all parties concerned.

CA Students, Internationally Trained, From Non-MRA Jurisdictions:

Internationally trained individuals from jurisdictions where there is no MRA apply for membership status as a CA student with requests for exemptions. While the process is similar to the above, it is longer and process steps are more involved given the greater potential for complications and the attendant level of professional judgment. Noteworthy points include the following.

As of when the review was conducted, there was no ICAO form required of these applicants to officially open an application file. A file is opened when a request for exemption is submitted. The file is considered active when the applicant begins to submit required documentation. In theory, a By Law 402 file may remain open indefinitely.

All By Law 402 applications are received and dealt with by the Registrar's Office.

Registrar staff monitor the pace of completion progress and may formally or informally contact individuals to address specific matters that do not appear to be aligned with ICAO policy. Individuals may receive support to ensure that their application addresses matters specific to Applications Committee requirements, sometimes suggesting changes to ensure their application accurately reflects their situation. The process assists the applicant and contributes to ensuring an efficient use of Applications Committee panel meeting time.

The pace of progress is more influenced by the applicant in obtaining required documentation and arranging to have documentation sent to direct to ICAO. The speed of documentation submission is ultimately determined by the degree of co-operation from originating organizations, including post-secondary education institutions, accounting bodies in other jurisdictions, and previous employers.

Process activities specific to an application from a jurisdiction with non-assessed accounting body or where there is no accounting body may involve a request for exemption related to academic courses completed. The individual requests a transcript evaluation be completed by ICAO. An experienced staff member in the Education Department conducts the evaluation. The process is not simple and can be complicated by a number of factors including: not being able to obtain original syllabus, calendar and course description information; receiving syllabus, calendar and course description information that is incomplete or out-of-date; a lack of co-operation from the post-secondary education institution(s) involved; receipt of documents that are not translated; etc.. The process results in a Preliminary Evaluation of Advanced Standing communication to the applicant.

Process activities specific to an application from a jurisdiction with a non-assessed accounting body may involve a request by the applicant for assessment of that jurisdiction's accounting body by ICAO. In effect, the effort required to complete this action somewhat reflects the activities undertaken by IQAB. The process for ICAO is not straight forward and can be complicated by any number of factors including: a lack of co-operation from the body involved; a lack of general information from secondary sources describing or adequately describing the licensing and accreditation framework; receipt of documents that are not translated; a lack of informal personal connections and/or knowledge about the accounting body from other members of the International Federation of Accountants; etc., etc..

A hearing booklet is created incorporating all documentation involved. The applicant receives a copy of that booklet. The process of scheduling,

conducting the meeting, and post-hearing follow through including appeals is largely the same as that described for By Law 302 applicants.

Timelines:

Noting the processes typically utilized as described above, the general timing for making decisions and the typical timelines experienced relating to CA students and membership candidates are discussed in the following. It is evident that timelines will vary on a case-by-case basis and that expediting processing time is not entirely within the control of ICAO or applicants.

MRA applicants are allowed twelve months to submit all required documentation from the date of application receipt. If the deadline passes, the application file will be closed with accompanying communication. Exceptional or extraordinary circumstances communicated to, and accepted by, ICAO may allow an extension of another twelve months.

ICAO has stated that once all requisite documentation is received for a data sheet situation, the application is submitted to the Applications Committee for review at the next panel meeting.

Applicants are informed that once all requisite documentation is received for a hearing file, the individual can expect a hearing to be scheduled within two to five months. ICAO has stated that the average time is three to four months.

Those required to successfully complete the CARE must do so within three years prior to application for formal registration as a Chartered Accountant.

For membership candidates, the individual has five years from the date of application receipt to meet all requirements and apply for general membership and to be registered.

It is understood that from the date of the Applications Committee's decision and approval, it takes a typical membership candidate approximately eleven months to become registered.

For all CA students, ICAO states that the maximum time an individual may remain in process is seven years if the UFE has not been attempted and ten years if the UFE has been attempted.

Transcript evaluation for an internationally trained applicant takes six months on average to complete and may require up to a year if there are complications.

Transcript evaluation for a CA student resident in Ontario where the individual's course program was with one institution in Ontario takes

approximately four to six weeks. For a mix of Ontario universities, the process may take between eight to sixteen weeks. For Canadian universities outside Ontario, the process takes about three to five months.

Assessment of a jurisdiction's accounting body takes about a year and may extend up to two years if there are complications. It is understood that the process employed by IQAB takes about two years.

For individuals applying from jurisdictions where there is a non-recognized accounting body, ICAO has indicated that from the date of the Applications Committee's decision and approval, it takes a typical individual approximately 2.7 years to become registered.

For individuals applying from jurisdictions where there is a non-assessed accounting body, ICAO has stated that from the date of the Applications Committee's decision and approval, it takes a typical individual approximately 3.2 years to become registered.

For the average CA student resident in Ontario, the average time taken to obtain registration is 3.2 years.

Findings:

This area of the review concerned the efficiency and timeliness of decisions made with respect to the assessment process, registration, and matters involving appeals. Efficiency issues are usually assessed in relation to decision effectiveness as well, generally defined as making the correct decision with the information at hand, in a timely manner. Assessing effectiveness was not within this review's scope but making effective decisions is obviously part of ICAO objectives and processes.

It is evident that ICAO policy and internal practices have resulted in a systematic approach to processing applications for that which is more common place. The latter requires the least time and minimal or no professional judgment in assessing applicant qualifications to registration requirements. The less common place the application, the more potential for off-policy complications or acceptable variations to requirements, the greater the level of applied professional judgment likely involved, the longer the process takes for admission as a CA student or as a membership candidate, and the longer the time to general membership admission and registration.

CA Students:

For that which is more common place, applications from CA students resident in Ontario (being the more prevalent in volume by far) and applications from CA students from other provinces, the process is not inefficient. ICAO has invested time and resources to make the main assessment component, transcript evaluation, a simple process. There are eight accredited university programs in Ontario and

approved courses available through other universities. Processing applications from these universities does not require time intensive judgment. Given common academic qualifications and accreditation processes, the transcript evaluation process for students transferring from other provinces is similarly straight forward.

The key elements contributing to efficiency and timely decision making regarding CA student registration include the following.

CA profession culture actively supports CA student progression to registration. Accounting and assurance firms assist CA students in dealing with required forms, providing information on the process, granting time off as needed, and providing work environment assistance to meet registration requirements as appropriate. As a general rule, the larger the firm, there will be greater resources available for assistance. Employers support their employees. Practitioners support their future colleagues.

The process for decision making is shortened by the lessened need for professional judgment in assessing non-typical applications and by no involvement of volunteers in initial assessment.

A commonality in registration processes across provinces includes common academic qualifications, thus leading to common approaches in post-secondary teaching, leading to quicker and more accurate transcript evaluation.

Internationally Trained Individuals:

Context needs to be considered in assessing matters related to timeliness and efficiency. ICAO wishes to ensure that the correct information is presented to the Applications Committee to ensure an internationally trained individual's application is fairly and objectively assessed. If this takes longer, efficiency is somewhat sacrificed in favour of effectiveness, i.e., in favour of fairness.

It is noted that a regulatory body's processes and requirements for registration can be relatively complex, especially with reference to matching an individual's prior work experience to requirements. The variety of alternate paths for registration for internationally trained individuals reflects a commitment to ensuring that a single, standard approach does not result in unfair exclusions or unwarranted denials of exemption requests. The By Law 302 path to registration is a pragmatic approach to expediting time lines for processing and registration. The MRA vehicle significantly contributes to efficiency and timely decision making.

Meeting information and documentation requirements to process a By Law 402 application takes time. This is not a negative from this review but rather a positive in that ICAO provides a structured approach to assessment as best may be done for these more complicated assessments, to ensure that an individual's qualifications for registration are treated in an objective, fair, transparent and impartial manner. More complexities and time taken in dealing with front end requirements offsets the

potential for more subjective interpretations in decision making at the end of the process. If this takes longer, efficiency is somewhat sacrificed in favour of objectivity, transparency and impartiality.

It appears that staff extend themselves in applying due diligence for their responsibilities and in assisting individual applicants. It is surmised that Applications Committee members take their duties seriously, both in reference to their delegated responsibilities in protecting the public but also in their obligations to the individual seeking to be registered. This takes longer. Efficiency is a secondary consideration. This is to the benefit of the applicant given that the logical alternative could easily be an exact and strict interpretation of qualifications compared to registration requirements. Again, it is logical that decision makers, if forced to make a quicker decision and without sufficient information, will favour protecting the public as a whole in denying exemption versus granting an individual's exemption request.

It is worth noting that decisions could be more efficiently rendered by administrative staff if volunteer practitioners were not involved. Staff can easily follow procedural directions from policy dictates, utilizing the formal and structured assessment process in coming to fair, impartial, objective and transparent decisions. However, self-regulation generally implies that a profession's active practitioners make the decisions in non-standard applications. Individuals who freely volunteer their time and energies are utilized to ensure a fair and proper assessment with due consideration to protecting the public. By definition, these aspects of the self-regulation model do not allow for greater efficiency by more typical interpretations.

The above being stated, it is possible that data sheet applications do not need to be reviewed by the Applications Committee. The Registrar's Office can easily handle these situations following Council policy for those applicants who have obviously met practical experience requirements. It is surmised that elimination of volunteers from the initial decision process will improve timeliness for most applications. There may become a greater number of appeals but not necessarily so given the simplicities inherent in data sheet files and the fact that these situations would likely involve straight forward decisions more readily accepted by the applicant. Given the relatively few number of By Law 302 applications and subsequent fewer number of data sheet applications, and the fact that data sheet applications are dealt with at the next scheduled Applications Committee meeting once the file is complete, the decision authority change is not particularly important. However, if the volume of By Law 302 applications increase significantly, the process change will become more worthwhile.

The question becomes whether ICAO extends reasonable efforts to ensure reasonable efficiency and reasonably timely decision making with due consideration to cost/benefit factors as well. The observation is that the organization does for the most part for those areas over which it has control, all things being considered. However, there appear to be some inconsistencies and factors that may contribute to timing delays.

At the time of the review, there were 18 applications on a hearing wait list. Three were due to applicants deciding to postpone an initially scheduled hearing date. Thus, at a rate of three hearings per meeting date, and given that an Applications Committee panel meets usually once a month, there is a five month back log. The five month back log may be within the documented expectation but it can be questioned whether this is reasonable, given the set timing of the CARE, the CKE, SOA, and the UFE. A delay in a hearing where individuals may then be required to complete the above, may conceivably delay qualification for registration. It is recognized that the procedural demands of this type of meeting are not insignificant. Preparing for a single hearing much less three in one day, assisting applicants, holding the discussion, and post-hearing follow up takes time and effort, not to mention the demands placed on volunteers. It is understood that staff monitor the hearing wait list. Additional hearings are scheduled as needed, as illustrated through the fact that in the recent past a similar backlog was dealt with through holding two panels in one month.

By Law 302 applications are received and processed by the Records Department. If staff identify a problem or an issue requiring Registrar's Office determination before the application is deemed complete, Registrar staff are notified. Staff have stated that Registrar triage is required for about 30% of applications. There does not appear to be an administrative requirement for By Law 302 applications being first handled by the Records Department but there is the potential for unnecessary delay if it is expected that professional judgment is required in more than just a few cases on a regular basis. The current volume of applications appears to be manageable for initial receipt and handling by Registrar's Office staff.

ICAO has stated that it takes between six and twelve months to complete a transcript evaluation for internationally trained applicants. As when this review was undertaken, there is one individual assigned this responsibility, among other work loads. It is recognized that this individual's accumulated experience in transcript evaluation is likely an important and primary contributing factor in ensuring that due diligence is applied in academic program assessment and that an applicant's qualifications are fairly assessed. This does, however, take time. The same individual has responsibility for assessing a non-assessed accounting body when requested by an applicant, which can take between one to two years. (It is understood that there are very few of these completed. There are perhaps one or two requests per year at the time the review was conducted.) The question can be posed whether sufficient staff resources are currently available to deal with transcript evaluation for internationally trained individuals and perhaps Canadian residents.

ICAO has no formal documented set of time lines for processing applications in the vein of a published set of customer service standards or the like. The information is noted in different areas regarding average wait times (e.g., for a hearing to be scheduled) and internal general time frames for certain matters (e.g., an acknowledgement correspondence being sent within one to two weeks of application

receipt). However, it has been noted that times for processing applications can vary significantly from one file to the next. ICAO could develop a customer service standards type of publication but given current timing variations on applications, it would not necessarily be of benefit unto itself. Until a point is reached where applications are sufficiently standardized such that variations are minimal, so that described average timings actually communicate the time frame that will likely be experienced by any applicant, being more specific may not be useful.

Applications Committee:

As of when this review was conducted, the Applications Committee was comprised of 29 individuals. Of this group, 22 were registrants in active practice and seven were public members. ICAO has stated that it extends efforts to have individuals who have experienced and have obtained their registration through the internationally trained application process on the Committee. There were four such individuals among the 22 registrants on the Committee.

An Applications Committee Orientation Binder is provided to all new members and updated as appropriate to changes in policy and procedures. The Orientation Binder is extensive and detailed. It includes governing documentation, guidelines for assessing applications from different jurisdictions, explanations of hearing processes, procedural matters, conflict of interest information, illustrations of data hearing material provided to members, etc.. New members attend an orientation session held once a year. The Committee as a whole meets once a year to discuss the year's experiences, to learn from different decisions rendered for various cases, and to discuss new developments.

The Applications Committee has responsibilities in different areas including By Law 302 and By Law 402 hearings. Five to seven Applications Committee members are scheduled as a panel for each day of hearings. Quorum is three members, including one public member. ICAO legal counsel attends all hearings to contribute to ensuring a correct procedural setting, to provide advice to Committee members, etc.. The Applications Committee panel usually deals with no more than three hearings in single day but on occasion will hold four hearings.

Applicants are informed of the Committee's decision and reasoning at their hearing. The decision is documented and sent to the applicant within two weeks of the hearing. The reason(s) for the decision made is documented and sent to the applicant at a later date. Applications Committee decisions may be appealed to an Appeal Committee. The Appeal Committee is separate and distinct from the Applications Committee and there is no cross-over membership.

Findings:

There is no indication that the organization and preparation of the Committee is faulty with respect to fairness, impartiality, objectivity and transparency. The

multiple pathways to registration and the breadth and depth of documentation and information required of applicants provides a formal and structured approach to assessment and decision making, and minimizes the potential for subjectivity and inconsistency in decision making by members of this group.

The total number of Committee members contributes to fairness and impartiality in decisions rendered and the impact of subjectivity in assessment of qualifications is minimized. Individuals appear to be provided sufficient training to understand their responsibilities and how to assess qualifications and make decisions. The group decision making process allows for collective deliberation and expressing different points of view to arrive at an effective, fair and impartial decision. The level of information provided to Committee members by staff is supportive and allows for informed decision making. Committee members may request additional information if so desired. Applicants are provided both formal and informal support assistance to ensure that they are adequately prepared. Decisions made and the reasons for those decisions are documented and provided to applicants to contribute to transparency.

The fact that the organization extends efforts to populate the Applications Committee with registrants who have international training backgrounds and that ICAO staff extend themselves to provide informal counsel and assistance to individuals to ensure their hearing experience is unclouded, demonstrates and provides evidence to commitment to fairness in dealing with applicants from a pragmatic perspective.

Fees:

ICAO registration fees and charges may be viewed from two perspectives: that required upon application versus while in process to qualify for registration; and, fees that are mandatory versus optional. The figures referenced in the following do not include the Harmonized Sales Tax. The following discussion does not deal with fees and charges related to registration maintenance as a general member. The following does not address incidental and indirect costs that may be incurred by applicants depending on the individual's circumstances (e.g., the cost of having a public official witness a sworn declaration).

It is understood that ICAO's overall primary fees and charges schedule is derived from a standard process involving assessment in comparison to annual budgeted expenditures with due reference to the fees schedules of other provincial and territorial institutes. The profession undertakes an annual fee and membership survey across provinces and the information is reviewed by management. ICAO has stated that it supports access to registration through keeping annual student fees and annual fees for international trained individuals low. Furthermore, it is understood that the fees for examinations (for the CARE, CKE, SOA and UFE) are adjusted annually based upon external cost recovery plus an additional amount for internal expenses.

ICAO has not conducted a detailed costing review of the activities, staff time, volunteer time, out-of-pocket costs, and administrative overhead associated with processing applications by CA students and membership candidates.

It is noted that applicants may be reimbursed by their employer for some or all of the direct and in-direct out-of-pocket costs associated with registration and membership as an employee benefit. It is generally understood that, all things being equal, the larger the employing public accounting firm, or business or government organization, the greater the level of reimbursement.

Web sites of other provincial institutes as well as territory institutes were accessed to compare fees as a lay individual would attempt to view information. Fees and charges listings were found for only half of the provincial institutes and with difficulty. Furthermore, only two of the web sites contained information specific to the fees charges to internationally trained individuals. It was difficult to determine what a CA student fee was, both for initial application and on-going renewal. In reference to internationally trained individuals, little information was found. British Columbia noted that the application fee for individuals where a MRA existed was \$50 and for the CARE, \$425. New Brunswick noted the fee to write the CARE was \$800.

Subsequent to the above, ICAO staff assisted in obtaining fees and charges schedules for other institutes, as well as CASB and ASCA. The published information was minimal for some of the provinces and territories and incomplete for others. It was evident that ICAO's schedule was the most complete and informative by a wide margin. From what little discernable published information was available, ICAO CA student application, membership candidate application and renewal fees were generally either at the approximate average of all institutes or lower.

CA Student Applicants, Ontario Resident:

An Ontario resident must submit a \$100 fee with their application as well as an annual student renewal fee of either \$140 (for co-op students) or \$280. The mandatory transcript evaluation entails a fee of \$50 for Ontario universities and \$100 for other Canadian universities.

All Ontario resident CA students and internationally trained CA students who have not been granted exemptions, are required to participate in ICAO's full Professional Program. Mandatory fees include: CKE, \$325; SOA Examination, \$1,000; SOA Four Week Course Group Sessions, \$450; and, the UFE, \$1,350. CA students have the option of incurring additional expenditures related to preparation courses and materials, mechanical checks of examination results, etc.. CA students are required to participate in the five day staff training program for a fee of \$700. Upon completion of all registration requirements, CA students are required to remit a one time membership admission fee of \$500.

Findings, CA Student Applicants, Ontario Resident:

The application fee of \$100 is reasonable and equivalent to that required of other CA students. The transcript evaluation charge is minimal and is waived if the individual is already registered with ICAO as a CA student.

The renewal fee for CA students is intended to cover staff activity in monitoring and assisting applicants in moving forward, access to minor services, payment to the CA Students Association of Ontario related to SOA residency costs, and as support for the overall efforts of ICAO in its self-regulation activities in protecting the public. All general members and students contribute to required expenditures to meet ICAO obligations as a not-for-profit organization. The CA student renewal fee is approximately 71% to 82% less than the total remittance required of registered practitioners depending on the type of membership. There is no precise calculation in determining that proportion of overall expenditures to be allocated to CA students. The renewal fee is a contribution remittance, recognizing that CA students as part of the profession benefit from self-regulation and thus should bear some of the costs of self-regulation. It stands to reason that there should be some level of CA student contribution. Subjective arguments may be made that it should be higher or lower. The cost of developing an accurate CA student renewal fee would not be worth the benefit. The same discussion applies to the one time admission fee of \$500.

It is understood that the mandatory Professional Program fees are based on cost-recovery, reviewed and adjusted annually as needed. Cost-recovery is a reasonable approach to CA student fees for the CKE, SOA and UFE and fees are more accurately determined as the activities involved and the related costs incurred are easily identified.

It is understood that the mandatory \$700 fee associated with the staff training program is also based on cost-recovery, more accurately determined for the same reasons above. The more important matter for consideration is not whether the fee is reasonable but whether participation in the staff training program should be mandatory, as discussed in the Registration Requirements sub-section of this section of the report.

CA Student Applicants, Non-MRA Jurisdictions:

An internationally trained individual applying from a non-MRA jurisdiction may submit an application for no charge. There is no renewal or annual maintenance fee similar to that charged for other CA students or other internationally trained individuals.

For situations where there is non-assessed accounting body or no accounting body in the jurisdiction from which the application is made, the individual has the option to have their academic transcript evaluated for a fee of \$480. If the individual

decides to pursue registration through CA student status, \$380 is credited to the individual's student registration fees if the individual joins ICAO as a CA student within three years of the preliminary assessment resulting from the transcript evaluation.

For situations where there is an accounting body that has not been assessed, an individual may request an evaluation of that body. It is understood that the objectives and assessment approach utilized by ICAO is similar to that employed by IQAB. There is no charge for the service.

There is no fee for a required hearing. If an individual wishes to appeal an Applications Committee decision, the individual must acquire a copy of the hearing transcript at an estimated cost of about \$200 to \$500 on average, to be paid to the transcription service provider and not ICAO.

At a minimum, CA students from non-MRA jurisdictions are required to write the UFE and pay the \$1,350 fee. The individual may be required to remit other mandatory fees noted above applicable to CA students who are Ontario residents, depending on exemptions granted.

Upon completion of registration requirements, individuals are required to remit a one time membership admission fee of \$500.

Thus, the full mandatory cost for all By Law 402 applicants includes: the transcript evaluation fee of \$480; and, the fees applicable to CA students.

Findings, CA Student Applicants, Non- MRA Jurisdictions:

ICAO fees charged to applicants from non-MRA jurisdictions are more than reasonable. There is no official charge for registration or for annual renewal. This being stated, there is a de facto mandatory fee in the transcript evaluation. A By Law 402 applicant by definition requests academic exemptions consideration. Otherwise, the individual would apply for CA student membership the same as a resident of Ontario.

The \$480 transcript evaluation fee, which in effect is a net fee of \$100 given the applied credit practice, covers:

the request for documentation and communication with the post-secondary institution in the jurisdiction from which the individual is applying, and in some cases more than one if the individual transferred attendance;

staff time associated with translation issues for non-English speaking countries in dealing with post-secondary education institutions and other accounting bodies;

the time taken by a trained and experienced individual to assess substantial equivalence of specific courses taken compared to the 51 credit hours required by ICAO and equivalence of the grade obtained;

the time taken by a trained and experienced individual in determining the equivalence to a four year degree with a 120 credit hours; and,

the time required by an experienced individual to follow up on that which does not appear to be the normal approach in specific courses (e.g., the use of non-standard text books).

ICAO does not utilize a cost-recovery basis for the fee required. Given current application volumes, the fact that efforts required may vary significantly per evaluation, and the low \$100 net fee involved, tracking staff time does not seem worth the benefit. Instituting full cost-recovery for transcript evaluation would likely substantially increase the overall \$480 charge. The staff individual currently responsible for transcript evaluation estimated that it takes days of total staff time on average per non-Canadian university file. The \$480 fee, translating to a \$100 net fee, is more than reasonable given the above.

ICAO has noted that the costs for IQAB to assess a jurisdiction's accounting body entails about \$10,000 to \$15,000 in out-of-pocket expenses plus staff time. The ICAO staff member who completes this assessment has estimated it takes perhaps two weeks in total staff time for ICAO's efforts. Offering the service for no charge on an as requested basis meets any reasonability standard. However, this potentially encourages frivolous applications from those who may be shopping for least resistance paths to professional credentials recognition. The more relevant issue is not whether a fee should be instituted and the fee level, but whether ICAO should continue to offer the service.

The Findings comments related to CA students Ontario residents also applies to CA students from non-MRA jurisdictions.

Membership Candidate Applicants:

An internationally trained individual applying under By Law 302 is required to submit a \$100 payment as a registration fee with the formal application. In addition, there is a required maintenance of registration fee, the level depending on the date of formal application: \$125 between January 1 and June 30; and, \$250 between July 1 and December 31. ICAO has noted that on average By Law 302 applicants will be registered in eleven months. However, if for whatever reason the application extends beyond one year, a \$250 fee is charged annually to maintain active status.

Membership Candidate applicants are generally required to successfully complete the CARE. The fee is \$425. If the membership candidate so desires, the individual may attend an examination preparation course for a fee of \$630 which includes

course materials or they may choose to acquire the materials only for \$490. They may also choose to acquire a practice exam for \$50 and may have a mechanical check of CARE results for \$60.

There is no fee for a hearing if one is required. If the individual wishes to appeal the decisions made by the Committee, the applicant must acquire a copy of the hearing transcript for the appeal to be considered and scheduled. The cost is estimated to be about \$200 to \$500 on average, to be paid to the transcription service provider and not ICAO.

Upon application for membership, membership candidates as well as CA students are required to remit a one time admission fee of \$500.

Thus, the mandatory cost for By Law 302 applicants includes: the registration fee of \$100; the \$125 or \$250 for maintenance; the generally applicable CARE fee of \$425; and, the one time admission fee of \$500.

Findings, Membership Candidate Applicants:

Given the activities involved with staff time and processing workload, volunteer time through the Applications Committee, as well as overhead amortization, a \$100 application fee is more than reasonable. The CARE is prepared and centrally developed and organized by an ICAO staff member on behalf of all provinces. Costs are allocated on a per writer basis shared among provincial institutes on a cost recovery basis. The CARE is an invigilated examination conducted in various locations in Canada at fixed timings. It is understood that on average 140 to 170 individuals sit for the CARE each year for all provinces. The activities involved include: staff time to organize and prepare examination content; out-of-pocket expenses for various locations; uncharged volunteer time; examinations marking and re-checking in the event of a no pass grade; and, communications with membership candidates. Given the workload involved, the \$425 does not appear to be unreasonable. The \$250 full year maintenance fee is the on par with the \$280 renewal fee for CA students.

Transfers from Other Provinces:

An individual who has qualified and is registered in another province or a territory may become registered in Ontario at no charge.

Findings, Transfers:

No charge for application processing and admission processing is more than reasonable.

Overall Findings:

Overall, fees and charges are reasonable. This observation is supported by the fact that: application fees are low; that some activities are completed at no charge to applicants; that transcript evaluation costs are applied to reduce renewal fees; and, the ICAO statement that the profession supports access by keeping annual student fees and annual fees for internationally trained individuals low.

The organization has stated that it utilizes a cost-recovery approach to mandatory examination and examination preparation activities for that which it controls and that the same approach is utilized for the UFE, given that this is a shared cost among provinces. This makes sense given that activities involved and the related costs incurred are more easily identified and analysis more easily applied to determine annual charges.

ICAO does not utilize a similar approximate cost-recovery approach in determining applications processing fees and charges, renewal fees and admission fees. Given the standard design of a not-for-profit organization, it would not be useful to conduct a detailed costing review of the activities, staff time, volunteer time equivalent, out-of-pocket costs, and administrative overhead to determine more accurate fees and charges levels. While some direct costs may be attributable to applications processing, the assumptions required to allocate general staffing and overhead expenditures would result in subjective calculations as well as allocations. It is surmised that if a costing analysis was completed, application fees will increase in general and increase substantially for foreign trained applicants given the disproportionate level of professional judgment and personal attention required.

The rationale for completing an internal costing analysis logically extends to assessing whether required fees and charges present a financial barrier to registration. This would entail research regarding the levels of employer reimbursement for an individual's expenditure outlays. This is relevant given that active support for CA students in meeting registration requirements, including reimbursement of related expenditures, is imbedded in Chartered Accountancy profession culture. While not part of regulatory matters, this is part of the profession's support for access to registration. The information benefit will not be worth the cost of the research unto itself. ICAO has stated that it supports keeping fees low to contribute to better access. This appears to be the case.

Academic Requirements:

The academic requirement for CA students includes the following:

successful completion of a four year, 120 credit hours program, university degree; and,

51 credit hours covering 17 specific courses related to the technical content associated with the profession's competency profile, achieving a minimum grade average of B-.

The current basic academic requirements for registration were established in 1988. A group of experts representing a cross-section of the ICAO membership completed an in-depth assessment of knowledge requirements. There was extensive consultation with a wide range of stakeholders and with the membership. The academic requirement was re-aligned when the profession shifted to a competency based approach to education and examination.

The competency based approach was adopted in the early 2000's. The profession conducted a rigorous and extensive process to develop the CA Competency Map which is the touchstone for academic qualifications, examination and practical experience requirements for registration. Noteworthy aspects of the development process which began in the late 1990's include the following, as well as on-going activities to ensure continuous relevance and improvement:

- a group of experts including academics, senior practitioners and the like were members of a steering committee that was responsible for the process;

- the profession held consultation sessions with about 140 experienced practitioners, conducted a number of interviews and had the formal and active participation of the largest auditing and assurance firms in Canada;

- over 30 different competency documents from around the world were reviewed;

- there was extensive deliberation and consultation regarding how best to establish and integrate primary competencies and pervasive qualities and skills;

- the process resulted in the two key documents that reflected the foundation for academic requirements and examination, as well as integrated practical experience: the UFE Candidates Competency Map and the Practical Experience Requirements;

ICAO implemented a new accreditation approach for universities in 2004 and worked with various institutions to ensure that accreditation program teaching was aligned with the profession's Competency Map;

- a panel of experts perform a comprehensive annual review of the results of the whole program and in reference to changes to competency based approaches in Canada and other countries, with focus on specific areas as determined appropriate including consultation with other institutes; and,

- the on-going monitoring and re-evaluation process is intended to ensure that core competencies are kept up-to-date and respond to changing circumstances resulting in minor as well as significant adjustments to the Competency Map as needed, such as when the profession increased access

to registration for prospective CA's who were not planning a career in auditing and assurance.

It is noteworthy that the profession's Competency Map and underpinning standards has undergone extensive review and validation independent of ICAO. In 2005-2006 the Public Accountants Council of Ontario conducted a review of all relevant matters to determine whether the above met PAC standards for licensing public accountants. Independent reviewers including senior academics, senior practitioners, lawyers and psychometricians under contract to PAC determined that ICAO processes met those standards.

It also may be noted that other countries have implicitly agreed with the approaches and processes employed by ICAO given the number of Mutual Recognition Agreements that have been negotiated and finalized.

Findings:

Academic training in a profession's technical knowledge is both necessary and relevant. Successful completion of a university degree consisting of courses that are the technical knowledge of a profession is common place for established and evolved professions. A number of professions have fully established professional schools which specialize in academic training specific to the profession. The Chartered Accountancy profession in Ontario chooses to utilize post-secondary education institutions as the means to primary technical knowledge education.

The profession has determined the minimum academic requirements necessary to protect the public. The process employed to create the standards was extensive and subject to wide consultation. The process utilized to monitor and ensure currency is formalized and considered. The profession's academic qualifications for registration are necessary and relevant as determined by the profession.

Practical Experience Requirements:

The practical experience requirements for CA students and membership candidates for registration include the following:

developing and demonstrating competencies in three pervasive qualities and skills: ethical behaviour and professionalism, personal attributes, and professional skills;

achieving a high proficiency level for one of two specific groupings of competencies at the 100% requirement, including performance measurement and reporting or assurance; and,

achieving the mid-level proficiency at 50% of requirement for two of the remaining five competency areas, (the five being one of the remaining two

above and four other groupings: taxation, governance strategy and risk management, management decision-making, and finance).

Practical work experience is determined in reference to duration of exposure as well as the breadth and depth of competency development during a three year time frame. Internationally trained, CGA and CMA applicants may request exemption from work experience requirements in future employment. Exemption requests are assessed on a case-by-case basis.

There are additional experience requirements for individuals to obtain the public accounting license after obtaining the CA designation. In addition to the full proficiency experience obtained for the assurance competency, and for two other competencies, an individual must have: at least 1,250 chargeable hours in assurance engagements of which 625 hours must be specific to audit engagements; a minimum of 100 chargeable hours in taxation services; a minimum of 100 chargeable hours in review procedures and other assurance engagements; and, a minimum of 2,500 chargeable hours overall relating to development of competencies in the six areas.

Practical experience requirements as well as procedures and processes are presented and discussed in documentation including: the ICAO document entitled 'Experience Certification Information for Applicants'; the CICA document entitled 'CA Practical Experience Requirements 2010'; and, the CICA document entitled 'Modifications to CA Practical Experience Requirements for 2010'. The CICA and ICAO web sites reference the information as well.

The International Education Standards referencing Competence Requirements for Audit Professionals confirms the need to have a period of relevant practical experience of sufficient depth and duration to ensure the individual can demonstrate that they have acquired the necessary professional knowledge, professional skills and professional values, ethics and attitudes. The Standard notes that the period would normally be not less than three years, of which two years would normally be spent in audit of historical financial information. International Education Standards further note that spending time in an area is not sufficient unto itself but that the individual needs to demonstrate competencies achieved.

Upon request for admission to membership, individuals are required to document practical experience, provide a self-assessment of their work experience and demonstrate that they have met the requisite proficiency levels for various competency areas. Individuals are required to submit the appropriate forms with accompanying signatures from individuals who can attest that the applicant completed various work tasks and gained experience in the competency areas. Individuals may submit additional written detail beyond that contained in required forms. If required to attend an Applications Committee hearing, the individual may present further information and answer questions related to their work experience qualifications.

Findings:

It is not practical for this review to assess the specific requirements in detail. The profession through the self-regulation model has determined what is necessary to train and reinforce the practitioner competencies to protect the public. What can be assessed in relation to this review are supporting and related factors in reference to development, acceptance and application of the practical experience requirements, including the following:

virtually all organized professions in Ontario, and in developed jurisdictions, formally recognize the value of practical experience in qualifications for registration, more so the case for those professions oriented to competencies based education;

accounting bodies in other jurisdictions, especially those with which ICAO has a MRA, equally recognize the need for practical experience;

international agreements and commitments, such as that developed through the International Federation of Accountants which includes membership from 125 countries and jurisdictions, document the three year timing framework incorporated into ICAO policy and the allocation of experience requirements in different areas - changes in Ontario requirements that are not aligned with minimum international standards may jeopardize negotiated MRA's;

practical experience requirements are related to the core competencies established by the profession to protect the public and deliver professional services;

practical experience requirements were developed through the rigorous and extensive process employed to create the profession's Competency Map;

practical experience requirements for Ontario resident CA students are the same as that for internationally trained individuals;

ICAO does not require that qualifying experience only be Canadian or that any part of qualifying experience include Canadian experience;

the profession has demonstrated significant collective support for access through providing more formal training environments for those seeking registration - at the time of the review, there were approximately 750 approved Chartered Accountancy Training Office locations across the province;

in recent years ICAO has significantly expanded the number of approved training offices to non-traditional environments such as employers who are

business operations and government entities - of the above 750 CATO's, approximately 100 were expanded employment opportunity locations;

ICAO requests detailed and documented descriptions of an internationally trained applicant's practical experience to ensure fair assessment of an individual's request that their prior experience be considered for registration qualifications;

ICAO encourages internationally trained applicants to ensure that their practical experience descriptions are related to competency areas;

there is a relatively structured approach to evaluating an internationally trained applicant's prior work experience, including self-assessment submissions and guidance overview descriptions as to the specific work tasks constituting qualifying experience;

it is understood that administrative staff conduct first pass reviews of applications including accompanying practical experience descriptions and provide initial follow through comment if it appears that the individual has understated their practical experience qualifications, encouraging them to re-submit and better present the facts of their background if warranted; and,

having individuals on the Applications Committee who have other jurisdiction work experience and who have gone through the internationally trained application process serves to assist other Applications Committee members in better understanding the work environments and applied practices of those jurisdictions.

The practical experience requirement is well documented through readily available publications. There is no evidence to suggest that the practical experience requirements for ICAO registration are unnecessary and not relevant. The preponderance of information suggests wide common acceptance of the need for practical experience and the three year timing.

For the near future, it is surmised that assessing the prior work experience of internationally trained applicants in meeting registration requirements will be a more complicated task compared to CA students resident in Ontario. It appears that ICAO policies and internal practices have offset the potential negative impact of subjective interpretation to the extent practical at this time.

Examinations:

All CA students and membership candidates are required to successfully complete, respectively, the Uniform Evaluation examination (UFE) or the Chartered Accountancy Reciprocity Examination (CARE) within set time frames up to a stated maximum number of attempts.

CA students are required to successfully complete the Core-Knowledge Examination and the School of Accountancy. Both are part of preparation for successful completion of the UFE. Internationally trained individuals may be granted exemption from the CKE and/or the SOA but have the option to request participation in this part of the Professional Program. (It is understood that very few do so.) The Uniform Evaluation examination is the national qualifying examination for registration. It is administered by the Board of Evaluators of the Canadian Institute of Chartered Accountants on behalf of the provinces. The UFE is designed to assess the individual's competency in various areas.

A full description of the CKE, the SOA, and the UFE and related examination processes is excessive and unnecessary for this report. They are well documented in various sources including the ICAO's web site. More important aspects of the CKE and the SOA with reference to relevance and necessity include the following.

The CKE is a four hour, computer scored, multiple-choice, 100 question examination.

The CKE and the SOA are intended to address the two elements of profession knowledge, respectively, technical knowledge and applied knowledge.

The CKE may be written at one of two timings during the year and the SOA once a year. Successful completion of the CKE is required before progressing to the SOA.

The SOA involves a participatory process and an examination.

The SOA involves an analytical examination focusing on the application of competencies under various scenarios.

More important aspects of the UFE regarding relevance and necessity, with due reference to fairness, objectivity, impartiality, and transparency, include the following.

The CA Qualifications staff of CICA's education department maintains a pool of questions sufficiently large to encompass all aspects of the profession's Competency Map.

The examination is marked guarding the identity of the individual and is written through use of computers.

There is extensive evaluation of overall effectiveness and individual examination component results.

A passing profile on which to administer marking processes is created to pre-established expectations.

The annual draft UFE and evaluation guides are submitted to provinces for review and comment.

There is a preparation and assessment process employed by the profession to ensure that the UFE is appropriate and relevant in testing a high level of professional competence.

The CARE is a multiple choice, non-disclosed, manually written examination of approximately 100 questions. The shift to having all multiple choice questions was applied for the first time in 2010. ICAO is responsible for organization and administration of the CARE for all provinces. It is understood that ICAO is developing a data base of questions. Questions will be rotated through the examination randomly such that data base questions may be repeated from time to time. The examination is held once a year, at the same time in all provinces.

Findings:

The goal of the CARE is to ensure that By Law 302 applicants are exposed to, and have some basic education in, Canadian business law, Canadian taxation, and professional ethics applicable to Canadian culture. This is relevant and is also required of CA students.

Possible changes that may be considered include offering the CARE at multiple times during the year and perhaps on demand. There is logic in achieving the same objectives through a professional development program without examination and it is surmised that this would not entail a significant risk in protecting the public. However, at this time, changes do not appear necessary because: the objectives are reasonable; there are only about 140 to 170 individuals taking the CARE annually in all of Canada; a once-a-year timing appears to be sufficient; an examination is part of reciprocity arrangements with other countries; offering a professional development program instead of an examination will still entail fixed timing; obtaining the co-operation of all provincial institutes to make changes may not be worth the effort; and, obtaining agreement of the PAC may not be possible.

A national qualification examination for CA student registration is both relevant and necessary for an established and evolved profession. It is obvious that the profession views the UFE and related processes as the key element in registration. The profession takes significant steps to ensure that it meets intended goals as a national entrance examination as with any mature self-regulated profession. There is an extensive and detailed preparation, administration and re-evaluation process employed by the profession through the CICA and through provincial institutes. It is evident that there is a significant expenditure of resources and of staff time in all aspects of the UFE, not to mention the efforts and energies of volunteers. The preparation and administration processes employed are aligned with a reasonable interpretation of fairness, transparency, impartiality and objectivity.

The CKE, the SOA and the UFE are a single Professional Program. The CKE and the SOA also ensure that CA students are ready to attempt and successfully complete the UFE. It is reasoned that without this preparation, too many will fail the UFE examination too many times, leading to unacceptable drop out levels.

An argument can be made that no applicant should be required to successfully complete the CKE and the SOA. They could be eliminated or become optional offerings. The UFE would become a challenge examination with no required formal and structured preparation. To paraphrase and expand on an ICAO comment, freedom to choose would be accompanied by freedom to fail.

The above change would contribute to fewer requirements for registration, but not necessarily quicker or, for that matter, ultimate registration for the individual. The current approach is logical and is based on a positive perception of how best to be inclusive in supporting applicants for success in writing the UFE. No changes are suggested at this time for the following reasons.

The CKE focuses on technical knowledge and causes CA students to refresh their understanding prior to the UFE. It is surmised that eliminating the CKE as a separate examination will not, and at this time should not, eliminate the need for examination of technical knowledge as part of registration requirements. If the CKE were eliminated as a mandatory requirement, it is surmised that ICAO would require a greater level of technical knowledge focus in the SOA and/or UFE.

An SOA-like vehicle is a designed and structured program to imparting how best to apply technical knowledge, i.e., teaching competency skills to entry level practitioners through an organized approach for that which older practitioners learned through experience. The shift to a competency based approach to protecting the public and educating future practitioners logically leads to utilizing the SOA to assist in achieving learning outcomes. It is surmised that without the SOA and related preparation, young adults would find a competencies based examination much more difficult to successfully complete. The same reasoning applies to a certain extent to internationally trained individuals who have not been exposed to competency based education and registration approaches in their jurisdictions of origin.

It is understood that internationally trained individuals may apply for exemption. It is understood that ICAO informally utilizes aspects of prior learning assessment, and may adopt more formalized approaches in this area, in determining whether anything will be really gained in having an individual with obvious significant experience and responsibilities participate in the full Professional Program.

It is envisioned that administering the UFE as a challenge examination will create a new set of difficulties. If failure rates prove to be higher, criticisms will be raised that the testing content and marking approach is biased,

requiring new bridging mechanisms to offset the new problems, potentially duplicating the CKE and the SOA.

It is probably unrealistic to assume that the impact of eliminating the CKE and the SOA can be tested over a period of time and the policy simply reversed should it prove that failure rates are higher. It would be unfair to individuals going through the new process who fail the UFE during the trial period and who may become registered under a special administrative measure recognizing the negative impact of the trial.

Allowing applicants the choice in avoiding the CKE and the SOA assumes that CA students trained in Ontario, in other provinces, or internationally trained individuals will be able to make an informed decision regarding the risks in writing the UFE without formal preparation assistance. It is surmised that too many will not make an informed decision, all things being considered.

It is understood that there is no current information to state positively that UFE failure rates will be higher for those not successfully completing the CKE and the SOA. However, it stands to reason that the full Professional Program contributes to applicant success. It is surmised that the CKE and SOA are integral to the profession's overall approach and that they can not be easily removed without offsets that would eventually constitute the substantial equivalent. Eliminating the CKE and the SOA and then lowering examination standards to allow individuals to more easily complete the UFE would not make sense, would be self-defeating, and would likely not be permitted by the Public Accountants Council of Ontario if ICAO wished to continue with authority to grant licenses to practice public accounting.

Communications:

ICAO's communications vehicles on registration and related processes and requirements include:

the ICAO web site;

general published information;

related and readily available source information to be found in various official documentation such as ICAO By Laws and Regulations;

general documentation sent to those requesting information on the basic requirements and processes to become registered in the Province of Ontario;

questions answered and information provided through customer service contact staff;

information provided through the Registrar's Office in response to questions posed;

standard and timed correspondence from the Records Department based on template formats, for example, acknowledging application receipt, monitoring and informing applicants of required documentation yet to be received, etc.;

e-mail communications with applicants at various points;

standard correspondence from the Registrar's Office based on template formats regarding status of application matters;

correspondence from the Registrar's Office regarding matters specific to an individual's application;

discussions and interaction with applicants as appropriate for those who are required to attend an Applications Committee hearing;

the precedent binder associated with hearings;

communications with applicants at an Applications Committee meeting regarding the decision reached, followed up by correspondence regarding the decision and additional correspondence at a later date regarding the reasons for the decision reached; and,

allowing applicants access their file upon request with due notice to ICAO.

Web sites of other provincial institutes were accessed to compare general communications publications as a lay individual would attempt to view information. Four had no information related to the internationally trained. Three provided minor information but referenced ICAO's web site for additional information including the CARE. There were only two that had some information explaining the framework and processes involved. It was generally difficult to locate information.

Findings:

There is a breadth and depth of communications vehicles used in dealing with those wishing to be registered. The requirements and the processes employed are clearly stated through multiple approaches. ICAO web site access and information content are clearly much better than that published through other provincial institutes. Fees related to internationally trained applications are noted in the application form. However, the official ICAO Schedule of Fees and Charges containing reference to all mandatory and optional fees and charges is not easily found.

The primary matter is whether communications to applicants are effective, more so the case for internationally trained applicants given the different paths to registration, the potential complexities, and the potential for variations depending

on a variety of factors. Current communications approaches provide the requisite substance, noting the following:

there are standard format communications keeping individuals informed of their application status and relevant approaching deadlines;

key web site descriptions are easily referenced, with the exception of fees and charges information;

to avoid confusion, all primary communication matters and information responses are documented and sent to applicants;

for the few instances where information provided by ICAO is not complete, improvements are simple and easily implemented adjustments;

describing the path to registration is facilitated through identification of jurisdiction from which the individual applies;

the variety and layout of required forms to be completed and submitted simplifies information to be supplied; and,

applicants may contact ICAO staff for clarifications.

Regardless of substance, ICAO can not be in control in ensuring effectiveness. From the limited anecdotal information at hand, it is surmised that all individuals do not read what is available to them. Reports on previously conducted research provided through ICAO indicated that a substantial percentage of internationally trained individuals obtained information about requirements and processes from family and friends. Personal sourcing is inherently selective and a significant basis for misinformation. It is surmised that the increasing use of social media will magnify the negative impact of secondary sourcing.

Compounding difficulties stemming from the above, it is surmised that those trained in other jurisdictions and/or who have qualified under other processes may feel that this is good enough. Without a broader frame of reference, some may believe it self-evident that a chartered accountant is a chartered accountant. Unrealistic expectations or some attitude of entitlement are not unexpected. Applicants may selectively absorb what they read and hear, not recognizing that they need to go through another level of qualification. While somewhat understandable, it is not sufficient as the basis for stating that ICAO processes and requirements are unfair.

When considering fairness and transparency, the broader question concerns how much responsibility a profession's regulatory body needs to assume in ensuring applicants understand the depth and breadth of matters related to the facts and procedures involved in registration. There can be no definitive answer. It stands to reason that the applicant bears some if not equal responsibility in becoming

informed. It may be suggested that ICAO conduct some form of communications audit in the future with recent and current applicants to assess communications effectiveness. At this point, there is no need for this analysis given that no information was discovered to indicate that poor communications has been or is a significant problem and given the low volume of internationally trained applicants.

At this time, communications are more than sufficient to inform those who are reasonably intelligent and sufficiently diligent. This being stated, there is and always will be some room for communications improvement.

Interviews Conducted:

Twenty-seven individuals were contacted to request their co-operation through an interview. Ten interviews were completed to understand the perspective and experience of individuals who were Ontario resident CA students as well as those who were current or recent applicants with international training. Noting that there were very few discussions from which to draw conclusions, the following is mentioned:

no significant or consistent criticisms were identified regarding the goals of the review;

the fact that only ten interviews were completed from the 27 requests, and that a few who initially consented could not be contacted at agreed to times, supports an observation of general disinterest once individuals have passed through the requirements for registration process;

individuals generally noted that the requirements for registration need to remain high to ensure that professional service is maintained at high levels and that respect for the profession is high;

there were no complaints regarding ICAO fees and charges;

minor problems were noted specific to some individual's applications;

concern was voiced by a couple of individuals regarding excessive paperwork relating to practical experience requirements - the comments were rooted more in annoyance than objection related to the information content; and,

when there was comment on requirements, it seemed that points raised referenced denied requests for exemptions, not for themselves but for applicants known to the interviewee.

Findings:

Interviews did not result in information of use for the entry to practice review, other than perhaps as the basis for surmise that if interviewees did not mention a matter, such as fees being too high, it is less likely that this is an access to registration problem. This is a tenuous information benefit.

These types of interview discussions are generally of limited usefulness. This does not mean to dismiss the perceptions of those involved. However, because an individual feels that their qualifications should have been given greater weight does not unto itself constitute evidence that there are faults and short falls. While a regulatory body attempts to be fair in matching qualifications to requirements, expectations will not always be met. A regulatory body can not control expectations regardless of the quality of communications. If interviews were to be of greater use, the specific comments made by an individual would need to be explored during and after discussion to determine foundation. Aggressive follow through questioning regarding specific points raised as complaint may seem as defense of current practices and would not be respectful of interviewees.

Use of the 'CA' Designation:

It is understood that some internationally trained individuals as well as advocacy stakeholders active in this area have argued that individuals who have qualified in other jurisdictions should be permitted general use of the 'CA' designation before being registered in Ontario or without having to be registered.

Findings:

There are no arguments of any substance in favour of general use of the 'CA' designation without being registered in Ontario. There are a number of points against use of the designation other than as intended, including the following.

The Chartered Accountants Act 2010 documents that members of the Institute have the right to use of the 'CA' initials, specifically prohibits its use by anyone who is not a member, and documents the very limited and specific conditions and requirements where an individual who is not a member may use the initials.

There is no profession self-regulation body in Ontario that allows individuals who are not registered in the province to use a designation that may conceivably imply that the individual is registered in the province and that the consumer of a profession's services (the client, the patient or the like) is protected under provincial regulation. The general exception is limited permission for a very specific and short time period, generally under a temporary professional practice setting.

A primary foundation of profession regulation is that the consumer of a profession's services must be able to trust the profession and the individual.

All regulated professions are oriented to the highest standards in regulatory outreach in this area. There can be no situation where there is any doubt concerning protection of the public.

A primary function of any profession's regulatory body is vigilance in, and prevention of, misleading advertising. This is invariably the initial focus of the policing and disciplinary efforts of newly formed regulatory groups. Use of the 'CA' designation in any circumstance implying Ontario registration is misleading by any common and reasoned definition.

An individual who wishes to use the designation without disclosing, as required in the Chartered Accountants Act and in those limited circumstances, that the person is not registered in Ontario under the argument that they are registered in another country, is an individual who does not wish to respect and comply with the requirements and spirit of public protection regulation of the profession.

The argument that public protection is available through the foreign jurisdiction in which the individual is registered, and that this justifies use of the 'CA' designation in Ontario without being a member of ICAO, is fictitious at best. It is difficult to envision how a resident of Ontario would be able to seek redress through another country and that a foreign accounting body would devote the requisite resources to pursue a disciplinary matter in Ontario related to a practitioner no longer resident in that country.

Any individual who wants to use the 'CA' designation without being registered in the province may have their personal commitment to professionalism questioned. An unwillingness to comply with provincial law and the currently accepted approach to protecting the public can be determined to be sufficient grounds to also question whether the individual is of good moral character, beyond how the phrase is interpreted in the current regulatory environment.

SECTION 7: SUGGESTIONS FOR CONSIDERATION

No significant issues were identified during the entry to practice review regarding ICAO's policies, practices and procedures in registration of CA students and membership candidates. The main observations include: current policies are appropriate; documented internal practices are related to formal policy; internal procedures and practices appear to be sufficiently efficient and timely regarding primary registration processes, all things being considered; informal processes appear to contribute to meeting objectives; and, volunteer and staff perceptions and attitudes appear to be supportive in assisting applicants meeting registration requirements.

There are improvements that Council and management may wish to consider, discussed below. It is noted that none of the following are significant. They are merely suggestions that may be undertaken over an intermediate and longer term timeframe as circumstances warrant and when, such as for new technology applications, financial resources are available. Suggestions made are of secondary or tertiary importance, some are interrelated, and a number have a communications improvement link. Since this review was a point-in-time assessment, some suggestions mentioned may confirm current thinking and can build on and perhaps enhance initiatives already being considered.

Current processes and requirements of CA students resident in Ontario are fairly straight forward, logical, and relatively uncomplicated. There are greater process steps and situational complexities for internationally trained applicants and, thus, the majority of the following relates to this area.

The main suggestions include the following, in no implied order of priority other than to propose that increasing resources allocated to transcript evaluation should be addressed first:

- improvements to affect increased timeliness in application processing and decision making;

- adopting an informal policy regarding applicants taking greater personal responsibility for their application;

- increasing fees in some areas to prevent misuse of ICAO resources;

- improving current communications regarding costs to applicants;

- clarifying applicant expectations related to the supporting benefits of the breadth and depth of documentation requested;

- clarifying applicant expectations related to the rationale for requiring applicants to successfully complete the CKE and the SOA;

improving applicant expectations through use of various scenarios illustrating issues and processes;

considering elimination of the five day staff training program as a requirement to obtain the CA designation;

planning for more flexibility in hearing scheduling;

instituting changes to administration of By Law 402 applications;

implementing technological applications to administer and process individual applications and introducing simple web based self-assessment tools for prospective applicants to use; and,

implementing improved management control information reporting and statistical tracking of applications.

Timely Decision Making and Processing of Applications:

Suggestions for Consideration:

Have additional resources available and allocated to assist in transcript evaluation as well as reviews of non-assessed accounting bodies, if the latter is to be continued.

Have additional resources available, and/or institute a procedural direction, to provide the written communication on reasons for an Applications Committee hearing decision sooner than the currently experienced three to four months.

It may be worth considering a change to internal processes to have By Law 302 applications received and initially processed by the Registrar's Office.

It may be worth considering a policy change to allow the Registrar's Office to handle data sheet applications without Applications Committee review.

At this time, one individual has responsibility and the requisite knowledge and experience to complete all types of transcript evaluations and reviews of non-assessed accounting bodies. Added to other workloads, this contributes to current time frames and potential delay. Additional resources may be applied to the task. It also makes sense to have backup and/or support resources. (It is understood that at the time of the review, training was beginning for another individual to

conduct transcript evaluations and that another staff member can provide some limited infrequent backup from time to time.)

It is recognized that it takes time to prepare full documentation of the reasons for an Applications Committee decision and to have that communication vetted by all concerned. Regardless that the decision and supporting rationale may have been already made clear to the applicant and that there are very few appeals at this time, there are usually only a maximum of three hearings a month. It appears that the current three to four month timing can be improved upon. The workload is the same, regardless of when the formal communication is created.

There does not appear to be an administrative necessity for By Law 302 applications being first handled by the Records Department but, however, there is the potential for unnecessary delay. It is understood that about 30% of applications require triage. Unless there are compelling unidentified reasons for the status quo, it makes sense to have accountability for internationally trained applications to be a single group's responsibility under the current largely manual approach to administration and processing. Should the process become much more automated, including on-line submission and processing, the matter becomes moot.

It is understood that data sheet applications under By Law 302 are situations where it is clearly determined that the individual meets registration requirements and need only successfully complete the CARE. Administrative staff can deal with these applications. Applications Committee time can be better spent on hearings and other matters.

Personal Responsibility:

Suggestion for Consideration:

ICAO may institute procedural and communications adjustments to reinforce that applicants should assume a greater level of personal responsibility for their application being ready for Applications Committee review.

Applicants for admission to any profession need to take greater personal responsibility in understanding what is required of them and in preparing their full submission for registration and exemption requests. This is implied and expected by current approaches to registration. It is assumed that applicants will become fully informed, appreciate why the processes utilized are necessary, understand what is required, and comply with requirements. The transfer of theory to practice is a different matter. Just because it is published does not mean it will be read.

It is suggested that minor initiatives be adopted to demonstrate to an applicant that it is to their advantage, and in their best interest, to be better prepared and to be of greater assistance in processing their application, more so the case for individuals

applying from jurisdictions where ICAO has no MRA. Illustrations of actions that may be taken include the following.

ICAO may develop a series of scenario summations of anonymous applicant situations, illustrating typical time lines and the impact that incomplete applications or similar issues have in creating delays in assessing and processing applications. The intent will be to demonstrate to an applicant that it is in their best interest to understand what is expected of them and what they can do to expedite matters.

Applicants may be required to sign a one page form declaring that they have read specific documents related to requirements and for processing requests for exemptions, and that they understand those requirements.

Profiles of issues and difficulties in assessment of applications and requests for exemptions may be developed and made available through the ICAO web site explaining problems typically encountered and rationale for the approaches used. The intent will be to educate applicants on registration and bridging processes, to enable applicants to better appreciate ICAO's role and why applicants are expected to meet stated requirements.

Simple web site applications may be developed to allow applicants to self-assess their formal academic credentials and practical experience. It is recognized that this can not be a substitute for the actual process, especially for countries where there is no MRA and no equivalent accounting body. Regardless, it can serve as a learning and process guidance tool for the applicant, educating them on the complexities that may be encountered for different situations.

Scenario descriptions demonstrating how to better assist the Applications Committee in assessing qualifications, with specific emphasis on competency implications, may be provided. It was noted by Applications Committee members that individuals who better understand the competency based approach are adept at demonstrating their practical experience achieved in relation to competency levels required, both in writing and in hearing presentation. This may not be as apparent to others.

Using web based approaches for information dissemination is noted as the preferred route given its importance to prospective applicants in becoming informed.

Fees:

Suggestions for Consideration:

ICAO institute an application fee for internationally trained individuals applying under By Law 402 and that it be at least at the

\$100 fee level charged to By law 302 applicants or higher as recognition of the greater effort required from ICAO to process these applications.

ICAO institute a renewal / maintenance of registration fee for those applying under By Law 402 and that it be at the same level as that charged for By Law 302 applicants.

ICAO end offering to assess a non-assessed accounting body upon applicant request or, as a less preferred option, institute a fee for evaluation of a non-assessed accounting body and that it be significantly higher than the fee charged for a transcript evaluation, reflecting the greater effort required.

An application and renewal / maintenance fee should be instituted to prevent misuse of resources and to treat By Law 402 applicants in the same manner as By Law 302 applicants. (It is understood that ICAO is currently considering a fee.)

ICAO may wish to consider ending the on-demand service of assessing an accounting body that IQAB has not assessed. This being stated, it is understood that ICAO may feel it is obliged to continue this service in fairness to individuals who may apply from these jurisdictions. Thus, it is suggested that at a minimum, a fee be instituted that at least discourages frivolous requests and resources abuse, and is significantly higher than the fee for transcript evaluation. It is recognized that a fee of any level, much less one significantly higher than that for transcript evaluation, may effectively end requests.

Improved Fees and Charges Communications:

Suggestions for Consideration:

Complete minor adjustments to the Schedule of Fees and Charges noting that the CARE course and materials only charges are optional, as presented elsewhere in the Schedule for other fees and charges.

In the Schedule of Fees and Charges, note the portion of transcript evaluation charges for CA students resident in Ontario and for internationally trained individuals that is credited to renewal fees if the individual pursues registration. Notation may be made in other documentation to the extent desired.

Mention in various documents and forms that the Schedule of Fees and Charges is the official reference point to avoid misalignment of costs information in documents of different ages.

The official Schedule of Fees and Charges should be clearly identified and much more easily accessible through the ICAO web site.

The above will ensure no miscommunication regarding the costs of registration. The Schedule of Fees and Charges is not easily located on the ICAO web site. There is no reason that it should not be more readily accessible.

Applicant Expectations I:

Suggestion for Consideration:

Provide additional communications to applicants to assist in better understanding how the breadth and depth of employment experience documentation is of supportive benefit to applicant success.

Requesting all prior employment experience details and verification of same is based on a positive perception of how to support applicants. Regardless, it is surmised that applicants may perceive that the information requested and processes employed are excessive. It is suggested that ICAO consider improving communications to better explain the rationale underpinning the broader range of information requested, how it may be used, and ultimately why it is in the applicant's best interest to supply all prior experience with employer verification.

Applicant Expectations II:

Suggestion for Consideration:

Provide communications to assist in better understanding why applicants are required to participate in the full Professional Program.

ICAO has stated that requiring applicants to successfully compete the CKE and the SOA is part of the full education program and also assists individuals in successfully complete the Uniform Evaluation examination. The current approach is logical and is based on a positive perception of how best to be inclusive in supporting applicants. Regardless, it is surmised that applicants may perceive that the CKE and the SOA are excessive. It is suggested that ICAO consider improving communications to better explain the benefits of the CKE and the SOA and their role in successfully completing the UFE.

Applicant Expectations III:

Suggestions for Consideration:

Prepare anonymous scenarios that identify typical problems encountered and process matters that will assist an applicant in understanding how to contribute to a more timely and informed assessment of their application.

Develop a series of scenarios illustrating typical time lines and the impact that incomplete applications or similar issues have in creating delays in processing and assessing applications.

It is surmised that, for whatever reasons, some applicants may have unrealistic expectations how regulatory assessment of their qualifications will proceed and the pace of assessment. Given the multiple paths to registration and what may appear to be increasing complexities in assessment, an average timeline and an average process appear to be less likely experienced by the typical internationally trained applicant. The above suggestions will serve to educate applicants on process variations and pragmatic ways in which the individual may contribute to dealing with potential issues regarding their application.

Staff Training Program:

Suggestion for Consideration:

At some point in the future, it may be worth considering elimination of the requirement that individuals must participate in the five day staff training program, at least for those who do not intend to practice public accounting.

It does not necessarily follow that individuals pursuing careers in business and government organizations who do not intend to enter public accounting would need this program to become registered. If and/or when this becomes a defined career path and if the PAC has no difficulty with the change, ICAO may wish to consider eliminating the requirement.

Hearing Scheduling:

Suggestion for Consideration:

Staff be flexible in scheduling Applications Committee panel meeting hearings, recognizing the timing of the CARE and Professional Program examinations.

At the time the review was conducted, there was a five month waiting list for hearings. It is understood that hearings are scheduled on a first file completed, first scheduled basis. It is suggested that ICAO be somewhat more cognizant of timing implications for some files. This suggestion centers on recognizing delay

implications for some applicants at some times of the year and perhaps considering more than one panel a month if warranted, as has been done at least once in the recent past due to excessive backlog.

CA Student Applications From Internationally Trained Individuals:

Suggestions for Consideration:

Introduce a signed application form for By Law 402 applicants as the official recognition of an application when accompanied by the suggested registration fee for By Law 402 applications.

Adopt a time frame with a defined deadline for all required documentation to be submitted for a By Law 402 application to be completed.

It is not surprising that applicants may shop for the career path of least resistance in obtaining one of the three organized accounting designations in Ontario. It is surmised that some individuals may knowingly submit a less than fully documented initial application to first understand their exemptions eligibility before determining which accounting designation to pursue. It is also expected that an individual will file a less than complete application to start the process sooner than later.

At the time of the review, there was no form to be filed that constituted an official application under By Law 402 nor was there a registration fee similar to that for By Law 302 applications. There was no defined point at which an applications file would be closed due to inactivity. All should be in place. (It is noted that ICAO was developing a form and considering an application fee for implementation sometime in the near future at the time this review was completed.)

Applied Technology:

Suggestions for Consideration:

Noting the potential significant costs that may be involved, the following are suggested for implementation consideration within the next few years, if and only if volumes of applications reach the point where it becomes evident that the current largely manual approach to processing applications needs to be changed:

Introduce software applications that assist in better managing, processing and monitoring each application file from internationally trained individuals, offer web site features that allow for self-assessment of qualifications, allow for on-line filing of applications and qualifications submissions, etc..

Aligned with the above and only if the cost/benefit tradeoff makes sense, implement a data base of accredited academic programs and available academic courses from other post-secondary institutions for Ontario, and possibly for other provinces, that facilitates more efficient transcript evaluation.

With the possible exception of delays in transcript evaluation, current volumes of applications are likely manageable using the largely manual approach employed at the time the entry to practice review was conducted. It is surmised that volumes of applications will increase at some point such that the deficiencies inherent in a manual approach may cause difficulties. Contributing factors will include: the number of staff and volunteers involved with an individual application; the divided accountability for By Law 302 applications; the limitations in reliance on manual control sheets; the lack of timely management information regarding overall status and the substance underpinning individual files that appear to be progressing at a slower than acceptable pace or where there are complications; etc..

Document management software can be combined with simple tracking and commentary logs for each application received. All documentation would be scanned and digitally accessed. (It is understood that original and other documentation supplied is scanned after the fact now and thus there would be no incremental workload.) More time consuming assessment and verification activities would be noted and explored as needed. Individual files would be accessed by Applications Committee panel members and comments shared quickly among all concerned. Summary management control information would be produced on demand. A sub-set of the file on primary matters could be made accessible to individual applicants on demand.

It is envisioned that on-line filings incorporating electronic signature will serve three purposes: to contribute to an efficient approach to application submission and recognizing file initialization; to assist in education and information transfer to the applicant; and, depending on the features developed, orient applicants to an automated discipline in supplying required documentation. Form letters to be sent will be automatically produced. E-mail communications on matters requiring attention will also be automatic. Required forms in some areas, such as practical experience profiles, may be submitted and tracked electronically with required verifications to be submitted either manually or through electronic signature. The above being stated, it is recognized that electronic signature may not be sufficient in meeting regulatory obligations and that allowing manual applications may still be required as an option to prospective applicants, thus offsetting efficiency benefits from on-line filings and documentation collection.

Providing self-assessment web based applications can serve as a learning tool for the applicant, educating applicants on the complexities that may be encountered for different situations.

It is understood that there has been some internal discussion in better utilizing technology to assist in processing applications more efficiently and effectively, such as for transcript evaluation within Ontario and perhaps with other provincial jurisdictions. On-line processing is aligned with this thinking as well. It is recognized that this may be a project better undertaken through the CICA or in co-operation with other jurisdictions if other provincial and territorial institutes may benefit from the application as well.

Management Control Information:

Suggestion for Consideration:

Implement better definitions and internal practices for tracking intake, status and outcomes for the internationally trained application processes.

Current volumes of applications from internationally trained individuals and manual approaches used do not lead to any conclusion that processes are out of control. However, there is a lack of readily available status information. If it can be projected that volumes will increase and/or that there may be increasingly complex applications from other jurisdictions, it is likely that there will be a greater need for more informative and regular management control reporting, including on demand formats.

The limitations associated with By Law 402 starting points and active status definitions were previously discussed. It is understood that available information from the Records Department regarding By Law 302 applications appears to be limited and not regularly reported. Information that is available does not naturally facilitate management's follow-on enquiry nor provide substance on specifics. At some point, better control information will be required.

SECTION 8: IMPLEMENTATION

The following provides commentary regarding implementation matters. It stands to reason that until Council has received this report and reviewed improvement suggestions, and until management has time to consider and reflect on the suggestions made, it is premature to provide an implementation plan or discuss related details. This being stated, the following briefly discusses matters associated with implementation.

It is noted that ICAO has begun considering implementation or is already implementing some of the suggestions made. This includes:

- instituting an application fee for internationally trained individuals applying from jurisdictions where there is no MRA, under By Law 402;

- developing an official application form for the above applicants;

- instituting a deadline for the above applicants to submit all required documentation; and,

- training additional staff to process transcript evaluations.

Current processes regarding application receipt and processing to registration for internationally trained individuals appear to be largely sufficient given the relatively few number of applications from other jurisdictions. However, should volumes increase, at some point the inherent deficiencies of a manual process will likely lead to decision timing delays and possibly professional judgment errors under workload pressures. All things being equal, there will be a greater need to change processes and utilize greater technological assistance in processing and decision making, not to mention providing management with timely and informative reporting to maintain overall control.

There are a number of direct and indirect communications improvements suggested for consideration. It is obvious that communications effectiveness is not an exact science. Implementing improvements does not mean that target audiences will achieve a better understanding of the matters at hand. Regardless, some of the suggestions made do not likely require Council approval as policy issues are not involved and they entail simple adjustments. If management agrees with the rationale for suggestions made, it is recommended that the following be implemented at the earliest convenience:

- make the official Schedule of Fees and Charges easily accessed and clearly identified on the home page of ICAO's web site;

adjust the Schedule of Fees and Charges to indicate the full range of optional fees and charges and the crediting practice for transcript evaluation;

develop scenario descriptions of application processes emphasizing where past applicants have contributed to their own timing delays and difficulties in ICAO assessing applications, demonstrating how the individual can contribute to ensuring more timely processing of their application;

explain in primary communications documents and through the ICAO web site how the more lengthy process for some applications benefits the individual, offsetting perceptions of excessive processes; and,

develop improved explanatory material regarding ICAO's competency based education approach and practical experience requirements to assist individuals in appreciating what this means if they have not been exposed to competencies processes, and thus why the CKE and the SOA are important components of the Professional Program.

In a similar vein to the above, procedural changes may be instituted that probably do not require Council approval. These include:

adjust operational practices to provide the write up regarding reasons for a hearing decision sooner than the current three to four month average timing;

adjust hearing scheduling to accommodate applications approaching the timing for the CARE, CKE, SOA and UFE; and,

if this does not border on a policy matter, institute a sign off form that the applicant has read and understands the requirements for registration, noting specific documents.

**ADVANCON INC.,
NOVEMBER, 2010.**

APPENDIX A:
DOCUMENTATION REVIEWED

The following provides a listing of the primary documentation reviewed and web sites accessed during the course of the engagement.

From the Institute of Chartered Accountants of Ontario

Policies & Procedures Manual - Student & Member Records Dept.

ICAO Fair Registration Practices Report 2009

The Institute of Chartered Accountants 2010 Annual Report

ICAO Member Handbook including, Institute of Chartered Accounts of Ontario, June, 2010:

Bylaws

Regulation I – A regulation in respect of students

Regulation II – A regulation in respect of Certified Public Accountants from the United States of America and members of other recognized accounting bodies outside Canada with which the Institute has reciprocal recognition

Applications Committee: Orientation Binder

Guidelines for Applications Committee Assessment of Competencies of Applicants for Registration: Members of Professional Accounting Bodies Within Canada

Guidelines for Applications Committee Assessment of Competencies of Applicants for Registration: Members of Professional Accounting Bodies Outside Canada

Bylaw 402 Applicants: Application information and forms

Bylaw 302 Applicants: Application information and forms

CA Students: Application information and forms

Occupational Career Path (from ICAO website)

A Practical Guide to Ruling the World – materials for university and high school students

Internationally Educated Applicants – Pocket Card Communication Describing the Basics and Referencing Source of Full Information Including Customer Service Connection

ICAO 2010-11 Fall/Winter Professional Development Catalogue

Entry to Practice Review 2010 / 2011, Project Plan, August, 2010

From the Canadian Institute of Chartered Accountants

The UFE Candidates' Competency Map 2009 – Effective for 2010 UFE

CA Practical Experience Requirements 2010

Pathways Focus Group Report: Experiences of Internationally Trained CAs in Canada

The Board of Evaluators' Report on the 2009 Uniform Evaluation

From the Office of the Fairness Commissioner of Ontario / Government of Ontario, Supplied by ICAO

Conducting Entry-to-Practice Reviews: Guide for Regulators of Ontario Professions, 2009

Fair Access to Regulated Professions Act 2006

Chartered Accountants Act 2010

Getting Your Professional License in Ontario: The Experiences of International and Canadian Applicants, R.A. Malatest & Associates, February 2010.

Office of the Fairness Commissioner, Annual Report, 2009 - 2010

From PKF Hill (ICAO's Auditor), Supplied by ICAO

Audit Report re: ICAO's compliance with FARPA (July 3, 2008 – July 2, 2009) with related correspondence

From the Public Accountants Council of Ontario, Supplied by ICAO

Standards of the Public Accountants Council for the Province of Ontario.

Annual Monitoring and Review Report on Compliance of the ICAO with the Standards of the Public Accountants Council for the Province of Ontario, 2008.

Websites Accessed September 2010, November, 2010

Institute of Chartered Accountants of Ontario	www.icao.on.ca
Public Accountants Council	www.pacont.org
International Federation of Accountants	www.ifac.org
Canadian Institute of Chartered Accountants	www.cica.ca
CA Training Offices	www.catoadvantage.ca
Office of the Fairness Commissioner	www.fairnesscommissioner.ca
Certified Management Accountants	www.cma-ontario.org
Certified General Accountants	www.cga-ontario.org
CA School of Business	www.casb.com
Atlantic School of Chartered Accountancy	www.asca.ns.ca
Web Sites of All Other Provincial Institutes	

APPENDIX B:

BACKGROUND ON CONSULTANT

The project was conducted by Donald Belfall, B.Comm, MBA, CMA, CMRP, CMC, a principal of Advancon Inc. Mr. Belfall has been in the consulting profession for approximately twenty-eight years, first working with Price Waterhouse Coopers for about eight years before starting his own practice. He holds the Certified Management Consultant designation from the Institute of Certified Management Consultants of Ontario of the Canadian Association of Management Consultants, the association that accredits the consulting profession in the province.

Mr. Belfall has worked with approximately 180 associations in Canada and a few in the United States. This includes approximately 70 professional associations and professions in a variety of roles and assignments related to the sector. He has an intimate understanding of professions and the nature of professionalism and professional practice in Canada.

Mr. Belfall has written a number of articles and has given a variety of speeches on organized professions and professionalism in Canada. Mr. Belfall's third book, *'Professions In Transition'*, published in late 2008, demonstrates his appreciation of current trends and issues related to professions in Canada.

Mr. Belfall has had two other books published on associations in recent years: *Associations in Canada: Future Impact and Influence* and *Creating Value for Members: A Strategic Guide for Associations*. The first of these two is required reading regarding for the Canadian Society of Association Executive's Association Management Executive program, the CAE accreditation for association professionals. He was keynote contributing author for the Canadian Society of Association Executive's Association Management textbook.